Friday March 7 1986

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### Business summary

# Gorbachev Pickens to revitalises buy oil Soviet group for leadership \$800m

for 24 years Soviet ambassador to Washington, and by appointing Lev Zaikov, previously party leader in Leningrad, a new member of the Politium.

Dobrynin has played a central role in formulating Soviet policy to-wards the US. His experience will ment the relative inexperience of Foreign Minister Eduard

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Dobrynin becomes head of the party's international department in charge of relations with Communist parties and non-Communist left-wing parties not in power. Page 24

### Palme hunt pictures

Swedish police released the first picture of the man suspected of murdering Prime Minister Olof

### Spain 'against Nato'

A majority of Spaniards will vote against their country's remaining in Nato, according to the last opinion Salva Data polls before next Wednesday's referendum. Eight leading Spanish bankers said withdrawal from the alliance would have disastrous eco- consolidated. The FT Ordinary innomic consequences. Page 3

### **US urges Ethiopia**

US officials urged the Ethiopian Government to abandon a plan to resettle L5m Ethiopians. They said the programme was coercive and had already cost tens of thousands

### Liberia lifts ban

Liberian President Samuel Doe lifted a ban on journalists', teachers' and students union imposed after an abortive coup in November.

### Manager charged

US-Belgian petrochemicals plant in worker and injured 12 others.

### Haiti amnesty

in Port-au-Prince by immates who bid for the companies succeeds. started fires and smashed furnishings to protest at conditions. Ousted President Jean-Claude Duvalier is to leave his hotel in Talloires, France, today for Nice. Page 6

### Guif attack

At least two seamen were killed and seven others wounded in a rocket attack in the Gulf that set fire to a Cypriot tanker carrying 27,000 tonnes of petrol.

### Missing soldiers

Three Norwegian soldiers were still missing after being buried in an av-alanche that killed 13 of their colleagues during Nato military exercises in northern Norway.

### Mandela office blast

The offices of the Release Mandela Campaign in Johannesburg were destroyed by an explosion. Page 4

### Terror ruling

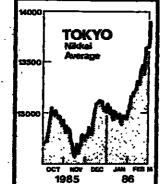
A US Government panel recommended judicious use of force in fighting terrorism, but opposed ran-dom retaliation against countries harbouring terrorists. Page 4

Five die in attack Five people died and 14 were hurt when guamen tried to kill a moder-ate Sikh leader in Kapurthala,

### north India. Lonely at the top

Alleged car-thief Fabio de Angelis, only prisoner in the only jail in the mountaintop republic of San Marino, escaped.

Soviet Teader Mikhail Gorbachev. T. BOONE PICKENS, the Texas oil-consolidated his power within the man and corporate raider, has Soviet Communist Party at the end agreed to buy Pioneer Corporation, of his 16 day congress by bringing an oil and gas company in his home back to Moscow Anatoly Dobrynia, for 24 years Soviet ambassador to worth more than \$800m. Page 25



TOKYO hit another peak with large-capital electricity financial stocks leading the way on hopes of a further Bank of Japan discountrate cut. The Nikkei market aver-

13,901.56. Page 46 WALL STREET: The Dow Jones industrial average closed up 9.94 at 1,696.60. Page 46

ge was 94.10 higher at a record

LONDON: Gilts were buoyed by the Bundesbank move while equities dex slipped 1.9 to 1,299.4. Page 46 DOILIAR fell in London to DM 22425 (DM 22660), Y179.30 (Y181.55), SFr 1.8990 (SFr 1.9115) and FFr 6.90 (FFr 6.9550). The doilar's exchange rate index was 118.0 from 117.5. Page 39

STERLING in London rose to \$1.4580 (\$1.4520) but fell to DM 3.27 (DM 3.29), Y261.5 (Y263.5), SFr 2.7675 (SFr 2.7750) and FFr 10.06 (FFr 10.10). The pound's exchange rate index rose to 73.8 from 73.7.

GOLD rose \$2 an ounce in the London bullion market to finish at \$343.40. In Zurich it rose to \$343.50. In New York, the Comex April settlement was \$344.30. Page 38

VOLKSWAGEN will allow Seat of Antwerp, was charged with mans-laughter after investigations into tribution and dealer network in A m

GENERAL MOTORS of the US has assured the UK Government that it Haiti declared a general amnesty content of Leyland trucks and Land after rioting in the National Prison Rover vehicles at current level if its will maintain British and European

> TEXACO, US oil major, has closed 1,500 oil wells in California's Kern River field because falling crude oil prices have made them improfitable. The wells represent about 10 per cent of the company's Kern River production.

WARNER LAMBERT, US pharmacenticals and non-prescription health-products group, is to sell one of its high-tech hospital-equipment companies for \$225m to Becton Dickinson, New Jersey health-care

FERMENTA, Swedish pharmaceuticals and biotechnology group, suf-fered a sharp fall in its share price when trading resumed after a two-week suspension. Page 25

BERTELSMANN of West Germany, one of the world's biggest media concerns, plans to invest more than DM 2.5bn (\$1.1bn) between now and

ARGYLL GROUP of the UK will appeal on Monday against the High Court rejection of its attempt to block the revised Guinness bid for

Distillers drinks group. Page 24 F. W. WOOLWORTH, US-based retailer, reported record fourth-quar-

ter earnings of \$106m, or \$3.29 a share to complete its third year running of profit improvement.

VEBA, West German utility and energy conglomerate, has announced an increase in its 1985 dividend on the back of a 29 per cent surge in some time ago. But the pact now en- US military and civil aircraft under earnings. Page 25 visaged specially commits the Japa- licence

CONTENTS

# European interest rates ease after Bundesbank lead

BY OUR FOREIGN AND FINANCIAL STAFF

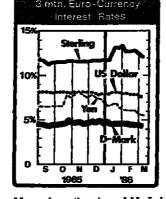
THE WEST German Bundesbank yesterday led a round of cuts in offi-cial European interest rates with a 0.5-percentage-point reduction in its key discount rate to 3.5 per cent its lowest level for seven years.

The Bank of France followed swiftly with a 0.25-point cut to establish its intervention rate at 8.25 per cent from today. The Dutch cen-tral bank matched the German reduction and fixed its official discount rate at 4.5 per cent, also from

Attention will switch to Tokyo this morning, where the Bank of Japan is expected to announce a 0.5point reduction in the Japanese discount rate and to set it at 4 per cent

from Monday. Bank officials in Tokyo clearly signalled earlier in the week that a cut in German rates would be followed by Japan, in accordance with the Government's policy of stimulating domestic demand and curb-Economists in the US were di-

from 7½ per cent. The Fed has been under inter- currency. mittent pressure from within the In the UK, government officials persistent pressure from Car Hill, to ease monetary policy



Many share the view of Mr Lyle Gramley, chief economist at the Mortgage Bankers Association in Washington and a former Fed Governor, who argues: "There is a less than 50/50 chance" that the Fed

will move. They note that Mr Paul Volcker, ing exports by keeping up the value the Fed chairman, signalled his of the yen. concern late last month that the dollar was falling too fast. By widvided yesterday about whether the ening interest-rate differentials in Federal Reserve Board would fol- favour of the dollar, the latest cuts low by lowering its discount rate by West Germany and Japan might be expected to stabilise the US

Reagan Administration, and more were cautious about the prospects istent pressure from Capital for lowering domestic interest, to ease monetary policy rates. It is thought at the Bank of

England that the fundamental arguments for current interest-rate levels have not been affected by the cut in European rates. Official resistance to lower bank base rates, however, now appears more muted. London money-market rates fell

vesterday, with one-month rates dropping to only 1/16 point above the base rate of 12.5 per cent. In Parliament, Mrs Margaret Thatcher, the Prime Minister, once

again rejected calls for the UK to join the exchange-rate mechanism of the European Monetary System. "One day when we think the time is appropriate we shall join the exchange-rate mechanism," she said. "We do not think it is appropriate The dollar weakened vesterday

despite the cut in German interest rates, as they had already been fully anticipated in the US currency's sharp rise on Wednesday. It closed in London at DM 2.2425, more than 2 pfg below the previous day's close. Against the Japanese currency, the dollar also lost more than Y2, closing at Y179.30.

Sterling lost 2 pfg against the D-Mark in quiet trading, closing at DM 3.27. But it made up some

Continued on Page 24

Lex, Page 24; Money markets,

# London opens way for export of N. Sea gas

sector of the North Sea will be able to export their gas discoveries directly to the European mainland after the privatisation of the British Gas Corporation, the state-curved

A move such as this has been leaks from the plant that killed one worker and injured 12 others.

North America after the West Gerlought for many years by the international oil industry, and, more reman group's takeover. Page 25

North America after the West Gerlought for many years by the international oil industry, and, more reman group's takeover. Page 25

The chancellor said he was facing inquiry "with cently, by the UK Treasury. Until now, companies have been

obliged to land any gas they produce in the UK. This has prevented them exporting profitability.
Yesterday Mr Peter Walker, the Energy Secretary, told the House of Commons: "The Government is pre- the gas."

pared to consider applications for waivers of the landing requirement on a case by case basis. "In doing this, it will take into ac-count considerations relating to the Gas. ent circumstances."

It is a recognition of the difficulties the producers have faced in planning their future activities with effectively only a single purchaser of

British Gas's position as a virtual ropean contracts tend to be more accept another's.

Now the companies will be able, in principle, to find a market outside the UK, if British Gas chooses not Mr Walker said yesterday: "We

of Britoil, said yesterday the new short term, but the access to a wid-policy would "encourage further exer market will help establish a fair ploration for gas in the North Sea. market price, and make forecasting

plies. This need not greatly damage For many years the price paid to gas suppliers by continental European utilities has been markedly higher than that offered by British customers. Although the Government has

security of the UK's gas supplies, without any presumption that exports should not take place in presumption that exports a supplies, in the range \$3.60 to \$3.70 per milliposals on a case by case basis, the on British thermal units (mbtu). Representation that exports a supplies, in the range \$3.60 to \$3.70 per milliposals on a case by case basis, the on British thermal units (mbtu). Recent deals with British Gas are at cult for the Government to turn The oil industry has argued that around \$3.20 per mbtu. But the Eu-down one company's proposal and

# Japan to join US airliner plan

cut the fuel consumption of existing

An "agreement to sign a memorandum of understanding" was announced in Tokyo by Mr Kenkou

leading aerospace companies in Japan including Mitsubishi Heavy Industries, Kawasaki Heavy Indusof harnessing a propeller to a gas-Hasegawa, chairman of the Japan tries and Fuji Heavy Industries. turbine engine. It is claimed that Aircraft Development Corporation The JADC will be the overall systhe prop-fans now under develop-(JADC) and Mr Frank Shrontz, tem co-ordination and management ment by all of the world's leading

ent of Boeing Commercial Airphane, which is developing the 7J7.

Japanese fully into the venture has been envisaged by Boeing for some time – the revolutionary type of powerplant that can nese involvement.

Inc. possibility of oranging the developing the 7J7.

Japanese fully into the venture has been envisaged by Boeing for some time – the "J" in 7J7 indicates Japationary type of powerplant that can nese involvement.

try is to join Boeing of the US in the development of the 7J7 prop-fan development, production and marting of the 7J7 prop-fan development, production and marting of the 7J7 prop-fan airliner press ahead with the 7J7 in competition with the conventionally pow-

The prop-fan is a development of agency for the 7J7 venture. aero-engine manufacturers will cut
The possibility of bringing the fuel consumption by between 25

of the US is to start this year in conjet engines by up to 40 per cent.

A broad preliminary agreement for Japan to join Boeing in initialled current Japanese aerospace programmes was initialled grammes involve manufacture of 17 to production by midsummer

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON THE JAPANESE aerospace indus- nese aerospace industry to partici- The Boeing-Japanese deal is re-

president of Boeing Company, parent of Boeing Commercial Airplane,

1992. It will take up to 25 per cent of on a risk-sharing basis.

1992. It will take up to 25 per cent of tition with the conventionally powtotal development cost, which may

The Japan Aircraft Development cred Airbus A-320, which is due to Corporation (JADC) represents come into service in 1988-89.

The Japanese industry has been

BA privatisation plan, Page 8

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# workers protest against strike laws

By Rupert Comwell in Bonn

TRADE unionists staged mass demonstrations and stoppages in West Germany yesterday, in the biggest protest so far against strike legislation planned by the centre-right coalition.

According to organisers' estimates 135,000 took part in rallies in North Rhine-Westphalia, the most industrialised German state, and a further 100,000 gathered in Ham-burg. The unions claimed that 110,000 attended assemblies in 50 towns in the southern state of Bavaria.

However, neither the size of the turnout, which was disputed by police, nor warnings by union leaders that worse could follow, seems to have dented the Government's determination to push the changes to existing strike legislation through the Bundestag as scheduled on March 21.

"The substance of our amend-ments will stay," Chancellor Hel-mut Kohl said here, although he conceded the Government's readiness to consider minor improvements in the text, which essentially curtails the right of workers laid off through strikes elsewhere to receive unemployment benefits from

He accused IG-Metall, the enginering union, which is in the forefront of the campaign against the legislation, of demagogy and "stri-dent and rabble-rousing" language in its efforts to thwart the Government. He again denied that the modified law in any way constituted an attack on the unions' right to strike. Neither Mr Kohl's trenchant atti-

tude to the unions, nor his professed confidence that economic success would carry his administration through to victory in next January's federal election, could conceal his nervousness before the press yesterday, on the third anni-versary of his election triumph in His brittle mood stems above all

the judicial investigation in his home state of Rhineland Palatinate into whether he lied to a parliamentary committee investigating the Flick political payments affair. great calm." But he refused, angrily at times, to be drawn into speculat-

from the uncertainty surrounding

the magistrates in the town of Ko-blenz decided to press charges. This latest twist in the protracted Flick scandal was, it is widely believed, one reason why his Christian Democrat (CDU) party lost heavily in last weekend's local elec-tions in Schleswig-Holstein.

# W. German Tin Council abandons rescue talks

BY STEFAN WAGSTYL IN LONDON

tlement of the four-month-old tin we had a deal," said one.

A rescue plan put forward by called an emergency meeting as panks and metal brokers, together they heard the news from the ITC; banks and metal brokers, together owed hundreds of millions of pounds, failed at the last moment to win the support of all the ITC's 22
member governments. Just as the
creditors had thought a deal was in
guided the rescue talks. sight, after weeks of talks and with most countries giving their backing, Indonesia yesterday morning stunned everyone involved by re-

jecting the plan.

The Tin Council said it could not accept the proposals without a

unanimous agreement. The crisis arose in October, when the Tin Council ran out of money running an inter-government price support pact between exporter and mporter countries.

The rescue would have involved setting up a new company with funds from governments, banks and brokers, to take over the council's 80,000-tonne tin stockpile and sell it to meet its £900m (\$1.305bn)

Mr Peter Graham, senior deputy chairman of Standard Chartered Bank and co-author of the rescue plan, said: "It's a great pity. It was a good plan and it would have Tin Agreement, once the strongest worked. It's all over now."

The future of the International Tin Agreement, once the strongest Continued on Page 24

### THE INTERNATIONAL Tin Coun- At the London Metal Exchange, cil and its creditors yesterday aban- the world's leading metals market, doned attempts to negotiate a set- traders were shocked. "We thought The LVE board and committee

it was still in session late yesterday

The failure of the so-called "New co" rescue plan means that: • The 16 banks holding some 45,000 tonnes of tin as collateral on loans totalling £350m are free to sell their

metal at will. Three banks had already sold some 5,000 tonnes.

The LME, which had intended to reopen tin trading by the middle of this month, must think again about how the market can restart with the possibility that the ITC's tin can be released immediately, rather than sold off over time, as intended

by the rescue plan. • Tin prices, suspended at £8,140 a tonne, might fall far below their current secondary market price of about £6,500 in a volatile market. ● Thirteen LME brokers, with ITC The collapse of negotiations contracts totalling £350m, face brought swift reaction in London. much bigger losses than anticipated: some might go bankrupt, threat-ening the survival of the whole ex-change, according to LME officials.

# **HK Land marks** revival with payout

BY DAVID DODWELL IN HONG KONG

ments for the first time for three HKS115m.
years, marking its recovery from Jardine Hong Kong's almost fatal propertymarket collapse in 1982.

ing on whether he would resign if for four years.

The moves, which surprised tive control of Jardine. cause of Jardine's 35 per cent stake years. That will cost the company in Hongkong Land. in Hongkong Land.

HONGKONG LAND, one of the After three years with no income world's largest property develop- from its Hongkong Land holding, ment and investment groups, is to Jardine can look forward this year resume substantial dividend pay to dividend revenue of about

Jardine Securities, an offshoot of the trading company, is the buyer The group will at the same time of 52m shares in its parent held by Hongkong Land. That reduces the halve its strategic 25 per cent holding in Jardine Matheson, the trading house. The HKS580m (USS74.3m) deal will reduce Hong-cent stake in Jardine, a takeover of kong Land's net indebtedness to cent stake in Jardine, a takeover of less than HK\$10bn for the first time

stock-market operators in Hong Hongkong Land yesterday an-Kong, provide a significant boost to nounced a total dividend for 1985 of both Hongkong Land and to Jar- 15 cents per ordinary share, comdine Matheson, the fortunes of pared with a nominal 1 cent paywhich have been intertwined be ment for each of the past three

# HELLERUP SCANDINAVIAN FUND



The Board of Directors (left to right) — seated: J.K. Ekberg: E. Brandt (Chairman); K.F.K. Larsson; standing: P.L. Gunning; G.R.J. Aifken (Managing Director); A.O.V. Grundberg

# 1st Annual Report and Accounts

covering the period 24th April to 31st December 1985

Highlights £180,765 Capital Appreciation Net Assets £1,845,014 Net Revenue and Dividend 0.65p per share most of the companies in the portfolio declare their dividends after the Fund's year end Offer Price per share At launch 100p

The Fund has made a promising start and is well placed to take advantage of the investment opportunities which are anticipated in the Nordic countries in 1986.

G:R.J. Aitken, Managing Director The Fund is quoted daily in the Financial Times under the heading "Offshore and Overseas"

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# Soviet party congress exposes divisions on how to tackle the economy

BY PATRICK COCKBURN IN MOSCOW

ALMOST EXACTLY a year after he became Soviet leader, Mr Mikhail Gorbachev ended the 27th Communist party cougress yesterday secure in the knowledge that he has placed men of whom he approves in most key positions in party and

state.

There was only one new name, Mr Lev Zaikov, on the brief list of full members of the ruling politburo which he read out to the 5,000 delegates. The key changes had already taken place over the past year. Only two of the 12 politburo members—Mr Vladimir Sheherbitsky, the party leader from bitsky, the party leader from the Ukraine, and Mr Dinmukahmed Kunaev, from Kazakhstan -were close associates of President Leonid Brezhnev dur-President Leonid Brezhnev during his 18 years in power.
The 10-day congress also provided Mr Gorbachev with the only opportunity he will have for another five years to alter the membership of the 319strong central committee, to which belong all the most senior Soviet office-holders. More than 50 per cent of the committee-has changed in 1986, compared to only 17 per cent five years

MR ANATOLY DOBRYNIN, veteran Soviet envoy to US, who was appointed yesterday one of the powerful secretaries to the central com-mittee, will return to Moscow to play an even more im-portant role in Soviet foreign policy than he has in his past 25 years in Washington. The 66-year-old Mr Dobry-

nin was a key channel superpower communication over Cuba in 1962, Czechoslovakia in 1968 and Afghanistan

among the party and state officials that the post-war gerontocracy had to be replaced. Mr
Yegor Ligachev, the second
most senior member of the
politburo, told the congress that
the Brezhnev policy of keeping
the same people in their old
jobs for years had led to "selfisolation and starnation."

lems were brought up, at conwere brought up, at conwere brought up, at conwere brought up, at conthe were brought up, A more pointed demunciation bogged down by the inertia of growth?

in 1979. His experience of the US, which dated back to service in the 1950s in the complement the relative inex-perience of Mr Eduard Shevardnadze, who took over as Foreign Minister last sum-mer from Mr Andrei Gromyko. Mr Dobrynin has been a full central committee member since 1971, one of the few

The comparative ease with of the old regime came from which Mr Gorbachev has Mr Yefim Yeltsin, elected Comchanged the top leadership munist party chief for Moscow shows he is a skilful politician, last December and a non-voting but he was aided by a consensus member of the poliburo. He member of the poliburo. He complained that the same problems were brought up at con-

seated on this elite body.

ticket?

In what was by far the harshest attack heard at the congress on the way in which the party has organised itself in the past, Mr Yeltsin said that nobody should be above criticism, and he denounced the "infallibility" of the old

chev, which the congress made plain is not that of asserting his authority or clearing out senior office holders appointed under Mr Brezhnev. His own election as general secretary of the Communist party was the result of a widespread recogni-tion that a rejuvenated leadership was needed in the Kremlin.

Mr Gorbachev's difficulty is consensus does not exist when it comes to changing the way the economy is run. Speakers at the congress were not agreed on the extent of the change bureaucracy, social injustice and required: Should there be structural reform, or will modernisa-tion of equipment and better management suffice to raise

prescription in his five-and-ahalf-hour opening address was radical: flexible prices, a reduction in central control, greater and efficiency. This was somewhat in con-

trast to the presentation of the 1986-90 five-year plan and the economic guidelines for the next 15 years in a speech by Mr Nikolai Ryzhkov, the Prime Minister. Here, there was less emphasis on radical change and more on simply clearing up the mistakes of the past, re-equiping existing plant and introduc ing high technology.

This should pay some dividends. Mr Ryzhkov revealed that 25 per cent of all projects proposed by ministries for construction under the present five. year plan had in fact been designed between 10 and 20 years ago. Not surprisingly, much of the plant is obsolete

MR LEV ZAIKOV (62) is now in effect third in the Kremlin pecking order because, with s promotion yesterday to full polithuro membership. he is one of only three men who combine that rank with the job of central committee secretary. The other two are Mr Mikhail Gorbachev and Mr

Yegor Ligachev. His rise to power came late. He was not even a full member of the central committee until 1981. But the rise and subsequent fall of Mr Grigory

first as Leningrad regional party leader in 1983 and then as central committee secretary last summer, gave Mr Zaikov his big breaks. He appeared to have impressed Mr Gorbachev last May when the latter visited Leningrad, the second largest Soviet city and an important military-in trial centre. Like many other Gorbachev appointees, he has a technical background, having started as a fitter and gained an engineering degree.

Romanov, whom he succeeded

tion sectors, now given top priority, will make it difficult for either to absorb effectively the 80 per cent increase in capital investment, which Mr Corbachev and Mr Ryzhkov

investment in his area will cause. "Such high rates of investment do not correspond with the capacity of the construction or assembly organisations," he said. "Already this year, the volume of planned work for the quarter exceeds the capacity of the builders."

years ago. Not surprisingly, much of the plant is obsolete before it is built.

The problem is that the very weakness of the Soviet machine-building and capital constructors.

The problem is that the very weakness of the Soviet machine-building and capital constructors.

The party secretary from the large industrial city of Volgograd, formerly Stalingrad, Mr.

V. I. Kalashnikov, pointed out to the congress the difficulties a 180 per cent increase in individual enterprises across

sent-day price policy is such that collective and state farms are not able to pay their own - even those which meet plan targets."

The congress showed that Mr. Gorbachev is in complete con-trol of the Soviet Union. He has ended the leadership crisis which progressively paralysed the country after 1975, but party and state leaders clearly have different expectations of economic reform.

the country. Mr Mikhail Solo. montsev, a politburo member, said he had recently visited a farm in Murmansk in the north, which had been visited by 78

different commissions in charge of monitoring its production in

a 10-month period last year. "One simply wonders why it

did not collapse under the weight of controllers," he said.

In theory, there is to be devolution of authority for day.

to-day operations away from the centre, but this is proving

Officials are also chary of revealing what will happen to prices. Despite the promise of

with its own development fund — the present artificial pricing system ensures that efficient

plants may be unprofitable and

Mr Kalashnikov said: "Pre-

inefficient ones show profits,

difficult to implement.

financial independence enterprises in future —

Many clearly feel that new men in the Kremlin, the miniof the young stries and in senior leadership positions will - together with better industrial and scientific innovation — produce a surge in growth. Others genuinely want structural reform, but are still unclear how far Mr Gar bachev really plans to go in changing the way the economy

### FINANCIAL TIMES

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**Milian** 

يروبري يز زالي

The party is

# France's young right-wing politicians spot the main chance David Housego in Paris profiles four youthful contenders for top jobs after the election

WHO WILL be the ministers in France's first right wing Administration to take office under a Socialist President. Cabinet making has become a favourite conversational topic of politicians on the right, and one thing

The combination of President Francois Mitterrand appointing Mr Laurent Fabius as Prime Minister at the age of 37 and the need for the right to avoid the impression that it is bringing back to power the old fami-liar faces of former President Giscard d'Estaing's Administration, means that there will be strong pressure to bring in new blood.

Alain Juppe. 40. economic approach, he is one of the few Alain Juppe, 40, economic spokesman of the RPR, was influential in converting Mr Jacques Chirac, the party leader, to the belief that France needed a Reagan-style programme of tax cutting and deregulation. With his mastery of the detail of both industrial and economic issues, his direct and office in the Hotel de Ville hung muck response to questions and

ing the finances of the city of put obstacles in its path. duick response to questions, and with contemporary paintings, bis easy-going unbompous but he is an obvious candidate.



ing political views-reflecting the different strands within the The younger generation of neo-Gaullist RPR and the mo right-wing politicians therefore amorphous UDF—show he believe that they will win a fragile the coalition could be. neo-Gaullist RPR and the more amorphous UDF-show how

goodly share of the posts. At the

for a senior economic or indus- its truck division to General General de Gaulle's values of trial post.

His belief that there will be no slipping back to the interventionist practices that characterised both Mr Chirac's and Mr Giscard's administrations is in part based on the idea that by the Japanese. cians who have not been stamped by France's post-war planning experience will be in

He also believes that the expansion of the public sector under the Socialists has pro-duced a backlash against state intervention. At the core of Mr Juppe's economic credo is the belief that French companies must increase their profitability and reduce their indebtedness. He has long believed that a

rapidly towards deregulation. privatisation and cutting public expenditure and taxation, brushing aside the possibility that President Mitterrand could But there are limits to Mr Juppe's faith in free market economics. He does not think that French public opinion

would allow Renault to sell off

more than a small minority of shares in the nationalised sector to be sold to foreign com-panies. He also thinks that European industry must take action against "being eaten up"

national secretary of the RPR who could move into the job of Employment, believes that Mr Juppe is part of the misguided rightward drift of the RPR, to which he is opposed. Mr Seguin is deputy for the textile belt of the Vosges where, as he has been telling his constituents in a campaign hampered by the worst Febru-ary snow falls in 40 years, un-employment has reached a peak of 11 per cent. He believes more state help is needed to dig the Vosges out of its diffi-

Like Mr Juppe, Mr Seguin moved into the leadership of the RPR after Mr Fabius was appointed Prime Minister. But he represents a widely different group within the UDF. "Social democrat" tradition of Gaullism - which emphasises free market economics - but collecting. He is the most long period.

He claims credit for helping to tone down the Opposition's programme over such sensitive issues as social security, the minimum wage and trade union powers. He describes as "the greatest madness" the opposition's commitment to abolishing the wealth tax, believing that this has enabled the Socialists to dam the manifesto as a pro-

lieves that Mr Chirac remains

an interventionist at heart."

Broad shouldered, impatient much in a small country bistro as in the National Assembly, one of Mr Seguin's assets is that be is liked and respected by

Francois Leotard, 43, is a former loyalist of President Giscard d'Estaing and the only one of the younger generation of politicians to lead a political party. He is the head of the Parti-Republicain, the dominant

goes further. He believes that glamorous if Dassault, the French group politicians. which makes both military and civil aircraft, found itself in financial trouble, then the state should not step in to help it

He says that his real ambition is to create a large "liberal" party in France to roll back the frontiers of the state. But he thinks that this a long haul project, perhaps taking 10 years, because of the French history of dependence on the state.

He is none the less prepared for radical measures, believing that the Ecole Nationale de (ENA) l'Administration France's elite college for training civil servants - could be abolished in the context of greater autonomy and competition among French universities.

It is Mr Leotard who has brought US-style campaigning into French politics — accompanying his meetings with flashing lights, pop music and video equipment. On flights between

He has also been the most aggressive in attacking the Socialists.

Edmond Alphandery, 42, used to be thought as a possible Minister of the Budget, as one way of evolving the supporters of Mr Raymond Barre, the former Prime Minister in the Government. Mr Alphandery, who comes from the centrist wing of the UDF, discounts this because like Mr Barre he believes that government and a Socialist President will prove unworkable.

He thinks that time is needed to carry out economic reforms and that a right-wing Administration after the elections is likely to lurch from crisis to crisis. Unlike Mr Barre, he feels however that he could not re-fuse it a vote of confidence in the National Assembly.

His priorities in terms of economic management are increasing domestic savings and reducing the budget deficit. He group within the UDF.

meetings he flicks through believes however that denationHe shares Mr Juppe's faith in magazines on jogging and art alisation must be spread over a



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### **EUROPEAN NEWS**

### Picture of **Palme** suspect released

SWEDISH POLICE yesterday released an indistinct "Identi kit" composite photograph of a man suspected of assassinat-ing Prime Minister Olof Palme which lied to several mistaken arrests, writes David Brewn in Stockbelm. The photograph has been distributed through-

A brief period of suspense followed the arrest of two Yugoslavs by Danish police in Helsinger at the request of the Swedish authorities after they Swedish animorales after they made the short ferry crossing from Hellingborg in the early aftermoon. After two hours of intense questioning by Danish and Swedish police, it appeared likely they would be released, the authorities said.

The photo-composite is based on the evidence of a 22-year-old woman artist who saw a man

woman artist who saw a man running on the suspected escape route around the time of the murder.

### French anger over killing of hostage

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TAND IN A COLUMN TO A COLUMN T

The French Government seemed likely to bear the brunt of some of the indignation felt in France yesterday at the alleged killing of one of the four French host-ages held for a year in Lebanon, writes David Housego in Paris. The "execution" of Mr Michel Seurat, a researcher, has been claimed by the extremist group Jihad Islam. The French Government was yesterday treating the claim seriously but unable to confirm it. The killing seems to have been in retalia-tion for the handing over by France of two Iraqis opposed to the regime in Baghdad. One at least of them is said to have been executed on arrival.

### Pollution curbs

EEC environment ministers, in a measure to reduce water pollution, yesterday classified two pesticides, DDT and penta-chlorophenol, and one industrial solvent, carbon tetra chloride, as very dangerous substances and put strict limits on their discharge, writes Paul Cheeseright in Brussels.

### Danish wine taxes

The European Court has ordered Denmark to unify its taxes on grape and fruit-based wines, AP reports from Luxem-bourg. It said it was illegal and discriminatory to charge different taxes on what it considered the same product to protect the local market.

W. German production West German industrial production, seasonally adjusted, rose by a provisional 2.4 per cent in January after falling by a revised 3.4 per cent in December according to the Economics Ministry, Reuter reports from Bonn. The pro-duction index; base 1980, rose to a provisional 104.5 in January from 102.1 in December. In November it stood at 105.7. Production was 4.2 per cent higher than in January last year when the index stood at 100.2.

Polish accusation Poland's Food and Farming has accused the Government planning commission of disregarding top level investment directives by failing to satisfy the food sector's capital needs in the second half of the decade; writes Christopher Bobinski in Warsaw. The various ministries are currently bidding for funds in the 1885-1990 plan which is being drafted for approval by a party

Greek oil talks The European Community has suspended moves to take Athens to court for not liberalising its oil monopoly and asked for talks on the issue instead, Energy Minister Eleftherios Veryvakis said yesterday, Reuter reports. yesterday,

# **Commission call** to double R & D spending

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission emphasis, coming down from heas drawn up plans to double 47 per cent to 21 per cent of hfas drawn up plans to double spending on EEC research pro-grammes over the next five years, with a new bid for would be complementary to the Ecu 9bn (£6bn) in cash from European governments' plans the 12 member states.

Broad outlines were pre-through the Eureka programme,

Broad outlines were pre-sented yesterday by Mr Karl-de outside the Community frame-Heinz Narjes, the commissioner work. responsible for industry, "We are open towards science and research, with a concrete Eureka projects and strong plea for member states we are ready to collaborate," to back the EEC as the best we hick for any effort to promote new research.

The new framework programme, still in outline form, would cover the five years from 1987 to 1991, in comparison with the present four way 75%. the present four-year Ecu 3.75bn programme running from 1984

Top priorities in the research and development to be financed would be enhancing European industrial competitiveness in such areas as information technical competitions. nology, telecommunications, bio-technology and marine tech-nology. Those areas would absorb 60 per cent of the total, compared with 28 per cent in the present programme, Mr Narjes said.
Energy programmes, including nuclear energy and alternative energy sources, would receive decreased member states, Their growing conviction, expressed in the Eureka debate, has been to promote research by creating a favourable industrial climate, rather than by proposing large centrally-funded schemes.

### Moves to restore Turkish ties

By Our Brussels Correspondent FIRST STEPS towards the FIRST STEPS towards the restoration of normal relaions between the European Community and Turkey, including the payment of a token Ecu 10m (£6.7m) in financial aid, are being proposed by the European Commission.

The morest strought and the

The moves would end the effective freeze on relations imposed by the EEC because of l'urkey's human rights record under its former military

government,
They include proposals to
improve the access and working conditions of Turkish
migrant labourers seeking jobs in the EEC—while stopping short of the free movement of labour which is supposed to come inot effect from Decem-

The plans, drawn up following the informal agreement of the 12 foreign ministers last month to reopen their lines of communication with Turkey, remain extremely cautious, because of the political sensitivity of the issues involved.

The Commission is asking the
EEC Council of Ministers. and the European Parliament, to release Ecu 10m of some Ecu 29m in special assistance promised but never committed in 1980. That is certain to run into strepuous opposition in the Parliament, where many MEPs claim progress on human rights

remains inadequate.

A second sum of Ecu 47m i in the process of being un-frozen by the Council, where it was blocked by Denmark. The Commission's proposals difficult for West Germany where more than 1.5m of the 1.9m Turkish workers in the EEC are based. However, they simply offer easier conditions for migrant workers to bring their families to the Com munity, and vague reassurances that any existing discrimination should be removed.

The 12 member states have to

agree a negotiating position on the question of migrant workers, before a planned asso-ciation council meeting with Turkey in the autumn. The Commission is clear that any agreement must allow for mem-ber states to take special measures to ensure that the pre-sence of migrant workers doe not create political or security problems,

## Romanian energy crisis hits restaurants

BY LESLIE COLITT IN BUCHAREST

the country to close at 6pm daily, taxis. It had its humorous mo-Both Romania and Bulgaria are ments, however. Two western busifaced with a serious energy short-age. Hydro-electric stations have been shut down by a two-year aged to hail near Bucharest airport. and maintenance was poor in coal-powered generating do not affect the central area where

lants.
A front-page article on Wednes-les to the main Communist Party day in the main Commun spaper, Scinteia, said all thermal power stations were operating at maximum capacity in line with instructions from President Nicolae sescu, the Romanian leader. Previously, several coal-fired power plants were criticised for operat-ing at low levels because of mal-ment and also for butter and

Bucharest and some other cities rolls than they need because supfrom 8.39 am to 11 am and in the evening. Television operates only two hours daily to conserve two hours daily to conserve early 20s said people his age were electricity. Gas pressure is reduced taking things in their stride. But it at prime consumption times makit difficult for Romanians to

ROMANIA, in a further move to deal with a worsening energy crisis, has ordered restaurants throughout in Bucharest of all private cars and The electricity cuts in the capital

> buildings and hotels are located. which is in its second winter, has combined with reduced food supdies to try the lives of ordinary

side food shops in Bucharest and cheese. At bread stores individual customers buy far more bread and

plies have been irregular One Bucharest resident in his GOVERNMENT HEADING FOR DEFEAT IN REFERENDUM

# Polls suggest Spain will vote to quit Nato

BY DAVID WHITE IN MADRID

A MAJORITY of Spaniards intend to vote "no" in next Wednesday's Nato referendum, according to several indepen-dent polls published yesterday. They showed the Government trailing by a margin of at least 6 per cent of the vote in its bid to obtain support for remaining the allocated funds.
Mr Narjes insisted that they in the alliance.

The only indication of a

possible pro-Nato victory came in a survey conducted by the Government's own sociological research centre (CIS) which gave the "yes" vote a onepoint lead.

legally before the ballot, coincided in giving a "no " majority but by widely divergent margins, The leading Madrid daily, El Pais, showed a slight last-minute swing back in favour of the anti-Nato vote. Of those who intended the participate in the ballot, it found that 52 and 56 per cent said they would vote "no" against 40-46 per cent voting "yes," with 2-4 per cent

called on to do by the right-wing against membership. opposition party, Alianza Popular.

Another Madrid daily, Diario 16. gave "no" 51 per cent of the actual vote, against 45 per cent "yes." But it found that as many as 41 per cent were either still undecided or were bent on abstaining. Among the supporters of Alianza Popular

Spain's top bankers, meanwhile, have divorced themselves from Alianza Popular's pro-abstention policy by coming down firmly on the side of a "yes" vote. The chairmen of the eight leading banks, who include Mr Miguel Boyer, former Socialist Finance Minister now at the head of Banco voting "yes," with 2-4 per cent who said they would vote, 60 Exterior, warned that "a per cent intended to vote "no." result other than 'yes' would According to the poll, 30-35 The Barcelona newspapers La have incalculable effects on the per cent of the electorate would Vanguardia and El Periodico country's economic prospects." Exterior, warned that "a result other than 'yes' would have incalculable effects on the

Four newspaper polls, the abstain, as they are being also showed the outcome going last which can be published called on to do by the right-wing against membership.

# Sweden's current account back in red

By Kevin Done, Nordic

SWEDEN PLUNGED back into heavy deficit on the current deterioration from 1984 when it achieved its first surplus since 1973. Preliminary figures from the central bank show a SKr9bn (£870m) deficit, against a SKr 2.8bn surplus the year

before.

The deficit was built up in the first half, however, and the current account was in balance in the second half. Recent forecasts suggest it could return to a small surplus this year helped by falling oil prices and the weaker US dollar.

The chief reason for last year's plunge was Sweden's weaker trading performance. The trade surplus declined to 1984. The main drain on the current account was interest payments of SKr 20.8bn to service the country's foreign

The trade balance deteriorated mainly because of a much higher level of imports, which could not be compensated for by the 3 per cent increase in the volume of exports. Sweden's export-led recovery which fuelled strong economic growth in 1983 and 1984 slowed last year. Export volumes grew by 12 per cent in 1983, 8 per cent in 1984 and 3 per cent in 1985.

# Statoil chief rejects oil market carve-up

world oil and gas market should depend solely on the country's output level, Mr Arve Jonsen, managing director of Statoil, the national oil company, said here yesterday.

At a news conference to present Statoil's 1985 results, Mr Jonsen said he strongly opposed the concept of an internationally agreed market shareout—which in any case would be impossible to achieve—or to any cut in Norwegian produc-tion aimed at helping prop up prices.

NORWAY'S SHARE of the be up to us," Mr Jonsen results in the light of current of a gas-fired power plant, declared. "Our goal must be to squeeze the last possible penny of income out of our operations." Statoil handled more than 16m tonnes of Norwegian crude oil last year—its own output, plus the state's royalty oil. It expects this amount to almost double by 1990 to 30m tonnes a year.

The group achieved record sales and profits in 1985 when it obtained prices for its crude averaging \$26-\$27 a barrel, and on aimed at helping prop up when the dollar exchange rate that it was co-operating with averaged NKr 8.60 Mr Jonsen the Norwegian state power was unwilling to forecast 1986 company NVE in a project study

market trends, and said it was "pointless" to guess how crude prices and the US dollar would We can only wait and see" he said. Statoll would step up efforts to increase cost efficiency but he did not foresee any drastic

cuts in its exploration pro-gramme, such as some US oil companies are reportedly planning. "That would be like a farmer eating his seed pota-

Statoil announced yesterday

country's electricity supplies come from hydropower. Indications were, the company said, that Norway would need ther-mal power plants as a supple-ment to hydro-electricity by the early or mid 1990s. A plant burning associated gas from one of the oil fields off central Norway could well be an economic proposition, since in that part of the country there would be no alternative market

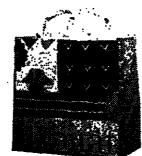
which would be Norway's first.

At present, virtually all the

for the gas. Statoil results, Page 26

# The way they make money differs.

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The big increase in funds sought by the Commission for

its own present and future projects, like the Esprit programme for information technology, the Race programme on broadband telecommunica-

tions, and the Brite programme

on basic industrial research

seems certain to be greeted with scepticism by several

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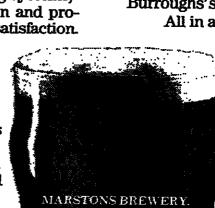
They published league tables on such factors as quality of operating systems, ease of operation, conversion and programming, as well as overall satisfaction.

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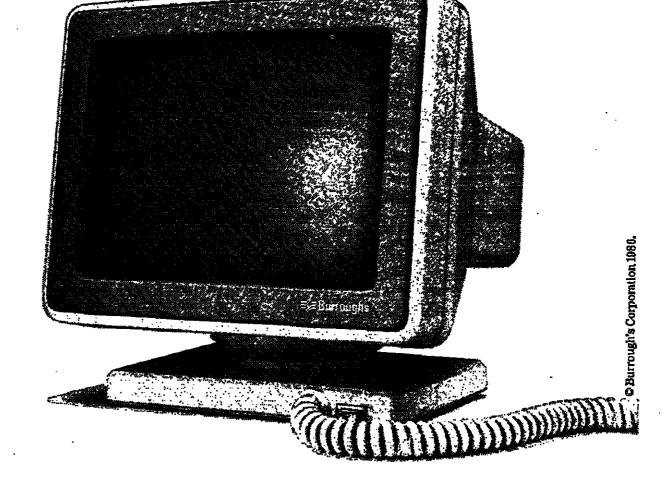
their daily work. Combining data processing applications with office automation

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# But the way they save it doesn't.





THE US CONGRESS is sending a clear signal to the government of President Corazon Aquino of of President Corazon Aquino of its readiness to provide in-creased economic and military aid to the Philippines which had been denied to the regime of deposed President Ferdinand Marcos.

The sentiment in Washington was relayed yesterday to Mrs Aquino by visiting US Congress-Aquino by visiting US Congressmen led by Mr Stephen Solarz who personally delivered an invitation from Mr Thomas "Tippy" O'Neill, the House Speaker, for her to address a joint session of the US Congress at some future date.

Increased US military assistance to the Philippines is now widely perceived to be neces-sary to support Mrs Aquino's thrust towards national recon-ciliation and deal with com-

munist guerrillas. Mr Solarz also told a news conference he was drafting legislation to give US federal courts jurisdiction over cases filed by the Philippine Government to recover the assets of Mr Marcos and his associates in

Mr Marcos's family is believed to control a real estate empire valued at US\$350m in New York alone, which is more than twice the annual US aid to the Philippines.

Communist guerrillas said yesterday the Philippine mili-tary should be purged, Reuter reports. The demand came one day after President Corazon

day after President Corazen
Aquino won her first dispute
with the military by securing
the release of four accused
communist leaders.

The New People's Army
said the inclusion of Mr Juan
Ponce Enrile, the Defence
Minister, and Gen Fidel
Ramos, Armed Forces chief,
in government was not in government was not acceptable.

Mr Solarz along with Con-gressmen Gary Ackerman and Thomas Foglietta discussed with Mrs Aquino the compensation mix totalling \$000m under the Philippine-US military bases agreement which runs through 1989.

Last year, US congressmen voted to cut by \$15m the bases compensation for fiscal 1985-86 to \$180m from \$195m

Although she is committed to respect the bases agreement which allows the US to maintain Clark Air Base and the Subic Naval Base until 1989, Mrs Aquino is nevertheless expected to consider the compensation proposals as soon as a current government overhaul

A change of view by President Chun has alarmed the Opposition, reports Steven B. Butler

# more US aid, Aquino Constitutional haze clouds S Korean politics

PRESIDENT Chun Doo-hwan has succeeded in shrouding. South Korea's political future in a thick haze of uncertainty. Last week he pledged to commit himself to rewrite the country's constitution in 1989, after the country of office emiles. after his term of office expires in February 1988, and after the 1988 Seoul Olympic Games.

The pledge, delivered in a luncheon meeting with Opposition Party president Lee Minwoo, followed two weeks of harsh. Government crackdown against the Opposition and appeared to have been offered as a tactical concession to cool the political temperature.

But political analysts and epposition members have now detected a longer-term strategy. They have concluded that Mr Chun is not planning to retire from politics when he leaves the Presidency in 1988, but is the presidency in 1988, but is the presidency in 1988, but is searching for a means to retain his authority.

The Opposition wants an immediate amendment to the constitution allowing for direct election of the President. They believe the current system of indirect voting through a 5,000-man electoral college will allow Mr Chun virtually to name his own successor, although the Government denies this. Mr Chun initially came to power in a military coup in 1980.

In January he called for a suspension of debate on the constitution until 1989, warning



that political instability caused by a divisive political squabble could spoil the 1988 Olympics. When the Opposition suddenly launched a signature campaign to revise the constitution earlier this month, the Government fought back with unexpected

Police raided and then barricaded offices of the main Opposition headquarters to will no longer face arrest, prevent meetings from taking although this remains to be place. More than 100 Opposiseen. tion leaders were hauled in for questioning and some 200 Opposition party members were placed temporarily under house arrest Party President Lee was

His revised position begs the question why Korea should go through the motions of electing a lame-duck president simply to preserve the integrity of a constitution that apparently needs to

and leading dissident Mr Kim Dae-Jung was bottled up for 12 days with his telephone cut off. During his luncheon with Mr Lee, the President conceded that police action had been "excessive," and pledged not to shut down the Opposition head-quarters again. Many have interpreted this to mean that those who signed the petitions

be rewritten

position over the constitutional issue that has caused confusion. Previously he has argued that the current constitution is sound

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first peaceful, constitutional transfer of Presidential power in

He has refused to consider the Opposition's demands for constitutional revision before 1988, he says, in order to establish a tradition of respect for constitutional order, something he re- down in 1988, and then run for gards as far more important than hasty democratic reforms.

Justice Party will pledge to rewrite the constitution in 1989. and that the party's 1988 Presidential candidate will pledge to step down after one year in office so new elections can be held under a new system.

His revised position begs many questions, not the least of which is why Korea should go through the motions of electing a lame-duck President simply to preserve the integrity of a constitution that apparently needs to be rewritten.

Mr Chan has not promised to tions for the President, but But it is Mr Chun's change in says the question will be studied in the National Assembly, and in a committee that he will appoint. Committees

repeatedly stressed the historic importance of achieving Korea's Gabinet system, and a "dual first peaceful, constitutional transfer of Presidential power in 1988.

He has refused to consider the a Presidential system, and a "dual executive" system, with authority split between a President, who would be responsible for military and foreign

affairs, and a Prime Minister. An increasing number of political observers now suspects that the President plans to step office again in 1989.

"Mr Chun likes benig Presi-Now however, Mr Chun says dent," says a Korean political that the ruling Democratic scientist, "and undoubtedly he would like to continue."

> The thought has alarmed the opposition. Yesterday the New Korea Democratic Party firmly rejected Mr Chun's compromise, calling it a political trick, and quickly stepped up efforts to revise the constitution.

The party made public a list of nearly 6,000 people who have already signed the petitions and who say they are willing to go to jail for the campaign. Protestant and Catholic groups this week declared their support of the petition drive, and the Opposichange the constitution so as to tion says it will gather 600,000 give the Opposition direct elec-signatures by the end of this signatures by the end of this month, and 5m by August 15, independence day.

The lines of confrontation have never appeared more clearly in South Korea, and the outcome never more uncertain,

Singapore

worse than

By Chris Sherwell in Singapore

A TOTAL of 96,000 jobs were lost in Singapore in 1985 as the island state's economy

contracted by 1.8 per cent, the Government's annual

The figures are worse than

previous estimates and come only a day before Dr Richard

Hu, the Finance Minister, presents his first national budget to parliament.

Businessmen and bankers

hope Dr Hu will implement

the stimulative tax cuts recommended in last mouth's

bulky report from the high-powered Economic Com-

mittee chaired by Brig-Gen Lee Hsien Loong, Minister of Trade and Industry and son

of Prime Minister Lee Kuan Yew.

had been put at 90,200.

Of the 96,000 jobs lost, 37,000 were held by Singaporeans. As a result, the domestic unemployment rate rose to 4.9 per cent, the highest in 15 years. The size of the Singapore workforce is 1.15m. The survey, significantly, offers no forecast for growth in 1986, but most people now doubt official projections of zero growth and foresee a second year of contraction.

nic survey reported

predicted

iob loss

Interest rate ruling upsets bankers in Abu Dhabi By Angela Dixon and Kathy Evans in Dubai

A LEGAL case in Abu Dhabi

A LEGAL case in Abu Dhabi could trigger a series of disputes between banks and clients about the most sensitive financial issue in the region—that of bank interest.

Unlike those of Saudi Arabia, the courts in the United Arab Emirates have always tecognised interest as a necessary mechanism for banking. However a ruling of the Supreme Court in the early 1980s allows for the charging of simple for the charging of simple interest only, and not normal

compound interest. compound interest.

The case involves a construction materials company in Abu
Dhabi which maintained overdraft facilities stretching back draft facilities stretching back 10 and 15 years with two fureign banks, one French and the other British. The company is seeking a recalculation of the interest paid so that it can be charged the simple rate of interest rather than compound.

It wants a refund on the in "illegal" compound interest. The law in the Emirates, as followed in Abu Dhabi at least. limits simple interest to 12 per cent a year, which is less than compounded market rates currently being charged in the UAE which range up to 14 per

The implications of an adverse ruling for the UAE banking system are "horrendous" ing system are "horrendous" according to one bank executive. "It could wipe out 20 ner cent of the assets of the hanking system if they follow this ruling." Only four years ago interest rates were up to 17 per cent a year. The issue could hit the long-established foreign banks in the country foreign banks in the country severely, for a high proportion of their loans would go back

many years. Bankers are alarmed at the prospects of the court ruling against them. They fear other borrowers will seek similar "refunds" on their bank interest, and thus worsen the heavy burden of bad debts they already carry. Some are already threatening to pull out of a market, where business prospects look unattractive, anyway, because of the deep economic

recession. "There are lots of influential barrowers who could benefit from debts being recalculated or even wiped out — because of this legal situation," commented one banker.

UAE bankers have looked to the country's Central Bank for support over the issue, but so far the authorities have remained silent. Many of the Central Bank's circulars already recognise the concept of compound interest, and state there is no ceiling on rates

charged on account of it.
Yet clearly decisions of the local courts centradict its policies. "We are looking to the Cenwe are tooking to the Central Bank for protection on this, and we have already made our concern known," explained one banker.

But statements last week from Mr Goh Chok Tong, the First Deputy Prime Minister, suggest that some of the committee's proposals would be significantly modified. The budget is thus being seen as an important test of the usually cautious Government's boldness. one banker.

For auditors, the question is particularly troublesome, for at present it would not be possible to provide a true calculation of a bank's assets or profitability if past interest has to be requantified. Before the publication of yesterday's economic survey, the official estimate of the contraction in 1985 gross domestic product was 1.7 per cent. The number fo jobs lost had been put at 90,200.

Free Mandela

Offices gutted.

THE OFFICES of a group campaigning for the release of Mr Nelson Mandela, the falled black leader, were gutted yesterday and a spokesman for the group accused South African authorities of planting a bomb. Police denied they were responsible and said they suspected arson.

arson.

The first-floor offices of the Relase Mandela Campaign in central Johannesburg, were left flooded with water from fire-fighters' hoses. Charred files lay strewn on the floor and windows were shattered.

Mr Chester Crocker, the chief US negotiator on southern Africa, yesterday met with Soviet officials in Geneva for discussions assumed to focus on Pretoria's latest proposals for implementing a UN independence plan for Namible, AP reports from Geneva.

# contraction. The survey says that total investment expenditure dropped a sharp 13 per cent in 1985 compared to 1984. The fall for the private sector was 17 per cent. Investment commitments in manufacturing fell from \$\$1.3bn (£50m) to \$\$1.1bn. Although Singapore's overall balance of payments showed a customary, if marginally smaller, surplus of almost \$\$35bn, net inflows of private capital fell from \$\$4.3bn in 1984 to \$\$3.6bn. Israeli coalition at risk over company aid policy

After weeks of sparring with Likud ministers, who control the key economic portfolios, Prime Minister Shimon Peres said on Wednesday night he was prepared to risk a coalition crisis in the greater interests of the economy.

Mr Peres, who is the Labour Party chief, and Mr Yitzhak. Moda'i, the Likud Finance Minister, were due to hold a decisive meeting yesterday over proposed help for two erippied giants of the Israeli economy, the Solel Boneh construction group and Kupat Halim the

THE Labour Party and the Likud bloc—coalition partners in the national unity Government—are likely to clash over Labour's determination to help ailing companies and restors economic growth.

After weeks of sparring with Likud ministers, who control the key economic portfolios, Prime Minister Shimon Peres said on Wednesday night he

However, much more underlies the current intergovernment wrangling than the allocation of state resources at a time of economic stringency. With the planned rotation of the premiership—from Labour to Likud—looming, Labour ministers and party activists are becoming increasingly anxious that their rivals wilk be well placed to benefit inditiesally the Solel Boneh construction well placed to benefit politically group and Kupat Holim, the national medical insurance and hospitals concern. Both are they take office in October.

confined to his house for a day, and needs no revision, and has are to consider the options of

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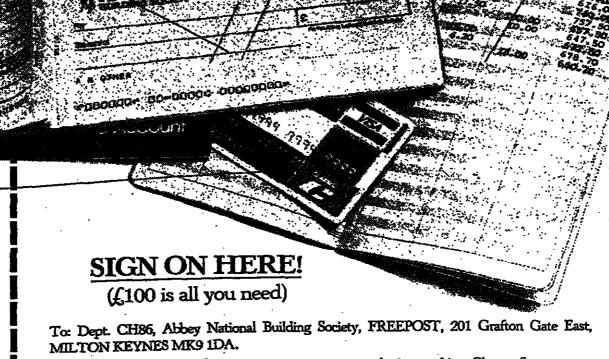
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American Airlines.

The American Airline.

By Terry Dodsworth in New York THE FOUR main US canmaking companies have reached agreement on a three-year contract which will freeze basic wages for the 13.500 workers in the industry.

Acceptance of the package came after a two-week strike that has depleted stocks and had begun to raise fears of can shortages in the drinks indus-try. All 13,500 US workers are now being recalled, although a separate strike by almost 2,000 Canadian workers against Continental Can in Canada is

The wage deal, negotiated by the United Steelworkers of America (USW), follows the broad outline of patierns recently established in other unionised industries. The can workers have accepted a basic pay freeze, but they have re-tained automatic cost-of-living increases and will also receive straight bonuses for the three years of the agreement, amounting to \$400 a year in the first year, and \$300 in each of the

In addition, the USW has negotiated a modest increase in pension rights of \$3 a month for each year of service, and has retained the extended vacation allowance of 13 weeks' holiday for every five years of

A limited version of a twotier pay system is also being introduced, with newly-hired employees being paid 20 per cent less than established workers for the first two years in the industry.

Mr Phillip Silver, President of Continental, described the agreement as "moderately inflationary." The canmakers appear to have won a largely concessionary deal of the sort they had been looking for when negotiations began with National Can the company selected this year to set the pat-tern for the industry.

In the initial round of the talks, the USW rejected bonus proposals for a \$400 a year payout in the first year of the deal and insisted that the industry's profitability justified a standard annual increase for the life of the contract. These during the strike period, with the employers winning on the issue of bonus payments.

Louise Kehoe in San Francisco explains how a litigious state is now suffering the consequences

# Californian cities grapple with insurance crisis

cisco's famous Chinatown district will be packed tomorrow with thousands of people eagerly trying to get a better view of traditional Chinese dragon dancers and displays of martial arts, while covering their ears against the noise of hundreds of firecrackers.

But the city's annual Chinese New Year parade was stymied until last Monday, because the organisers were unable to obtain liability insurance. Faced with the possible loss of one of its major tourist attractions, the city council and local businesses transaction. stepped in, and an insurance carrier was found at the last minute. But the \$49,000 premium was 500 per cent higher than they paid last year. The problems faced by the festival's organisers illustrate the crisis in liability insurance that has swept across the US.

most populous and possibly the most litigious state in the Obtaining insurance coverage for product liability, profes-sional and malpractice liability, directors' liability and such is a problem all over the country, but in California the plight of public bodies and those who organise public events is parti-

cularly severe.

According to the League of

California Cities, 43 of the

Nowhere is the problem more critical than in California, the

THE STREETS of San Fran-state's 441 cities are currently cisco's famous Chinatown uninsured, "But this number doesn't reflect the true crisis," says Mr Warren McFay, a League spokesman. 150 cities are "self insured" he points out, and many more are chronically underinsured.

"By July half the cities in the state will be uninsured," he predicts, and many policies currently held will have run out without prospect of renewal. In general, small cities face massive insurance price in-creases, medium-sized cities are

unable to buy adequate insurance and large cities cannot find liability insurance at any price, according to a survey conducted by the Association of (San Francisco) Bay area San Francisco has been self-insured for years; Oakland and

San Jose have no insurance and are unlikely to find coverage in the foreseeable future and Sacramento lost its liability insurance last November The city was offered cover-age by one insurance firm at a premium of \$640,000, a 330 per cent increase over 1984, and covering only 40 per cent of the previous \$50m coverage.

Insurance coverage in Berkeley, the most popular campus of the University of California, was cancelled recently when its insurance company disinsurance company "dis-liability" law, also known as covered" that the city allowed the "deep pocket law." The people to use their homes as law dates back to a 1978 case workshops and studios. "Our when the California Supreme



insurers feel a lot of art and craft materials are hazardous, so they cancelled us," says city manager Nancy Bellard. In small towns the effects of insurance cancellation can be catastrophic. Blue Lake, a town

catastropine. Sine Lake, a fown of 1,200 people in northern California, has essentially closed down due to insurance problems. Since December, Blue Lake has shut all its city buildings and parks, cancelled non-essential city meetings and stronged divisions sits care. stopped driving city cars. At the root of the problem is the state's "joint and several

Court determined that in per-sonal injury lawsuits involving more than one defendant, if any of the defendants is unfull burden of the judgment. As a result, cities, counties and others with substantial funds are increasingly being in-volved in lawsuits where they

have negligible responsibility, simply because they are capable of paying compensation. For example a city or county may be forced to pay the costs of an expensive judgment against an uninsured drunken driver because of a minor im-perfection in road design or upkeep. The impact of the 1978

ruling has only just become to cover apparent because law suits stemming from traffic accidents and other mishaps take four or five years to come to trial.

Los Angeles was recently in a case that arose when the brakes on an 11-year old boy's new bicycle failed. Los Angeles new bicycle failed. Los Angeles was sted because a bush on private property, on which the city apparently had an easement, allegedly prevented the boy from seeing a car on the other side of the street, with which he collided—and meant that the driver couldn't see the boy.

Newport Beach, in southern Callifornia, was ordered to pay whose financial problems have \$6m to a man who dived into forced them to raise premiums the surf and hit his head on a sandbar, suffering injuries which left him a quadraplegic. The jury determined that the city should have put up signs warning the public that the

Since this case a year ago, four similar claims have been filed against the city and shortly after the verdict the city's insurance company cancelled its coverage for Californian cities

**Duvalier to leave French** 

luxury lakeside hotel

to cover such injuries as emotional distres and mental

"Economic damages" such as medical bills and loss of future income would still be charged to the "deep pocket."

The proposal is a compromise designed to solve the insurance problems while still providing for "victim's rights." It faces tough opposition especially from the Trial Lawyers' Association, which represents injured parties and earns large fees linked to jury awards.

jury awards.

The group strongly opposes any change in the "deep pocket" laws, and believes that the real culprits in the insurance crisis are the insurance compar and cut coverage.
The Californian

assembly is considering creating a state liability insurance fund offering insurance for local governments and non-profit organisations contends that even if the "deep pocket" law is changed, financially troubled insurance companies will not offer reasonabl insurance

coverage.

The League of California Cities has joined forces with the insurance industry and others to try to change the law. In June California voters will vote on "Proposition 51" which would overturn the law and would be would be a supplied to the work of the unavailable to a supplied the lability insurance are numerous," says state assemblyman Dan Hauser. "But the prospect of government operating without adecided the law." In June California woters with the prospect of government operating without adecided the law. The prospect of government operating without adecided the law. The prospect of government operating without adecided the law. The prospect of government operating without adecided the law. The prospect of government operating without adecided the law. The prospect of government operating without and would be a supplied to the law and would be a s would overturn the law applying to awards made by juries zens of this state."

### **US** report recommends force to halt terrorism

A US Government report yester-day recommended the judicious use of force in combating terrorism but opposed random acts of retaliation against countries harbouring terrorists, Reuter reports from Washing-

The report, drawn up by a task force headed by Mr George Bush, Vice-President, basically endorsed current US anti-terrorist policy and made a number of recommendations to strengthen it.

It failed, however, to come up with proposals to implement President Reagan's 1981 threat, after the release of American hostages in Iran, to take "swift and effective" action against terrorists.

Yesterday Mr Bush acknow-ledged the difficulty in using force without endangering the lives of innocent people in countries that practised or supported terrorism.

"There isn't any simple answer," he said. "We are not going to wantonly destroy human life in order to show we have to do something,"

The report said: "Our principles of justice will not permit random retaliation against groups or countries. However . a successful deterrent strategy may require judicious employment of military force to

resolve an incident." The report endorsed current US policy of refusing to nego-tiate with terrorists who have taken US hostages. Nes

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"The US Government will make no concessions to ter-rorists," it said. "It will not pay ransoms, release prisoners, change its policies or agree to other acts that might encourage additional terrorism."

The task force questioned the wisdom of blanket news coverage of terrorist incidents. It said it did not want to recommend abridgement of the free-dom of speech and the Press, but it suggested the media should exercise some selfcensorship in reporting terrorist

The report's recommenda-tions included federal legislation providing for the death penalty for killing a US citizen abroad in a terrorist incident, a special anti-terrorist infelligence centre, and an increase from \$500,000 to \$1m in reward money available for information leading to the apprehension of

# Nasa set to miss space station deadline

Aeronautics and Space Admini-stration (Nasa) looks unlikely to meet next Monday's deadline for gaining agreement with its prospective international partners for a grandiose scheme to build a \$12bn (£8.2bn) manned space station in the 1990s. Nasa, already under strain after last month's Challenger space shuttle disaster, two years ago set March 10 as the date which it wanted a clear indication from Western Europe, Japan and Canada on the roles they hope to play in the orbit-

The base is due to provide a service bay for satellites, a platform from which to view earth with high resolution cameras, and workshops for esoteric scientific activities such as lowgravity materials processing.

Japan and Canada have given

GM is proposing to build two car models in Egypt

at existing automotive plants, part of whose capacity has been used to assemble Fiat vehicles. The GM products will include

the 1.2 litre Corsa and the 1.6 litre Ascona. In the initial stage, GM will assemble

imported kits, but as feeder industries come on stream, the foreign components will be reduced.

The American company, if

all details fall into place, will be given a virtual monopoly to build cars in Egypt.

It is proposing in the first stage to produce 10,000 Corsas and 30,000 Asconas. Total planued eventual production is 96,000 units a year. Egypt's small to medium-car market is activated.

maintain the base. But the US space agency is still at loggerheads with Western Europe, represented by the 11-nation Euro-

Nasa wants Esa's contribution, the Columbus laboratory, to be a fixed part of the base. which is due to enter orbit by 1994 and carry a crew of 8-19

of the station under its own propulsion system, possibly to form the basis of an indepen-dent European orbiting outpost after the year 2000. Nasa insists this would make

pean Space Agency. (Esa).

European officials, however want Columbus to have the capability to leave the main core

planning difficult and drive up costs. The two sides say they are Nasa satisfactory accounts of still talking and a compromise their plans — Japan is to pro- is possible, but neither has

The most likely outcome is countries putting up about that Nasa will reluctantly agree another \$40n.

over the next few weeks that the Europeans continue to study the option of a detach- for the base may slip as a able Columbus for another six result of the long delays which months or so. The final shape seem certain in operating of the station is due to be fixed by the end of the year, ready for development work to start by next March. The lack of agreement with

the Europeans is not the only worry for Nasa over the station. The agency has suffered from allegations that slipshod management practices played a major part in last month's Challenger tragedy.

Congress may be unwilling to provide the full \$410m for the

station which Nasa is request-ing for the financial year begin-

THE beleagured US National vide a laboratory while Canada given much indication of how payer of the station is put at Aeronautics and Space Admini- will work on robot devices to this could come about. Son, with the other about \$8bn, with the other

Even if Congress is in generous mood, the schedule for the base may slip as a seem certain in operating Nasa's depleted fleet of three reports from Nice. remaining space shuttles. The vehicles are due to act as essential elements in lifting components of the station into If only to keep up with Soviet

progress in manned space bases, however, the US Government is most unlikely to give up its plans for the space station. The project may have been given greater urgency by the launch of Mir, a new generation of Soviet bases which promises to provide a permanent home in the heavens for up to a

dozen cosmonauts at a time

Mr Duvalier, who has been in France since fleeing Haiti on February 7, is due at Nice airport this morning, officials from the local prefecture said. Mr Jean Tiffenat, manager of

luxury French Alpine hotel to-

the L'Abbaye Hotel in the lakeside resort of Talloires, said yesterday he believed it was likely Mr Duvalier, his wife and eight other members of his family would leave in the morn-ing. But the prefecture officials

OUSTED Haitian leader Jean- France or leaving for another Claude Duvalier will quit his country.

French radio said yesterday day for Nice, local officials said Mr Duvalier had been given yesterday, but it was not clear what in French law is called whether he would then go on to an assigned residence, which leave the country, Reuter would allow him to live in a certain area in France. If he wanted to move he would have to get permission from the authorities before doing so.

Haiti has declared a general amnesty and witnesses said the capital's biggest jail was emp-tied of murderers, thieves and

The new ruling National Council declared the amnesty after rioting in the National Prison in Port-Au-Prince by inmates who started fires and said they could not say if Mr smashed furnishings to protest Duvalier would be staying in at conditions.

# WORLD TRADE NEWS

# Go-ahead for \$1bn **GM** scheme to build cars in Egypt

BY TONY WALKER IN CAIRC

EGYPT HAS approved in principle a \$1bn (£714m) proposal by General Motors of the US to build cars here, supported by a number of component industries, It is by far Egypt's most

ambitious industrial project under the terms of the "open door" policy instituted in 1974 by the late President Anwar Sadat to encourage foreign investment. The decision to approve the

project was taken at the week-end at a meeting of govern-ment ministers presided over by Egypt's Prime Minister, Mr Ali Luth, Final details have yet to be worked out, but according to a GM official, most stumbling blocks have been

Cabinet approval of the GM plan, coming within days of serious rioting in Cairo and when Egypt's economy is in trouble, is seen as an attempt by the Egyptian Government to reassure investors that it remains committed to a policy of attracting foreign investment in spite of the country's many difficulties.

A \$700m financing package is being arranged by Cairo-based banks, including Misr Iran Development Bank, Export Development Bank, Export Development Bank and Chase Cabinet approval of the GM

A \$700m financing package is being arranged by Cairo-based banks, including Misr Iran Development Bank, Export Development Bank and Chase

Additional funds are expected Additional funds are expected which develops exhausts; and from the US Agency for International Development and the US, a paint manufacturer.

### **Sweden to** tighten high-tech controls International Finance Corpora-

THE Swedish Government is to tighten controls on trade in foreign-produced high tech-nology, amid growing indica-tions that the country has been used as a staging point for illegal traffic bound for the

Starting on June 1, those seeking to export restricted high technology from Sweden will have to obtain permission from authorities in the country of

The ordinance does not, for The ordinance does not, for example, apply to Swedish-made computers using imported components (which are already covered under earlier arrangements) but rather to foreignmade finished products subject to restrictions in their country

to restrictions in their country of origin.

It seeks to "plug a gap for that marginal 0.01 per cent of the technology trade which is being carried out by crooks," one trade department spokesman said. "Before, it was not illegal for people to export such equipment. Now we have a tool to nail them."

The Ministry said recent moves by neutral Austria and Switzerland to tighten export controls gave rise to "suspicions that some of this illegal trade had been diverted through Sweden."

● L. M. Ericsson, the Swedish L. M. Ericsson, the Swedish telecommunications and electronics group, reports it has won a \$5.6m (£4m) order to supply an AXE digital international switching exchange to Cable and Wireless Hong Kong. The exchange is said to be oneof the largest of its kind in the world. It is the third that Ericsson has sold to C&W, bringing the total to 23,000. Worldwide of the US which manufactures steering columns, Roth-Technik of West Germany,

bringing the total to 23,000 lines.

Saab Scania, the Swedish automotive and aerospace group, has won an order to deliver five of its Saab SK-340 aircraft worth #30m to Chicago Air. a newly-formed US regional carrier based in Illinois.

The company has also placed

The company has also placed conditional orders and options fora further 11 aircraft worth \$68m, Saab said.
Chicago Air, which will operate shuttle traffic between small airports in the Mid-West into larger airports served by claimed that astween accession on distance carriers, has ordered the 30-seat version of total steel exports from the Ten the twin-engineed turbo prop to Spain had reached 261,000

# Comecon plays hard to get with EEC suitor

trading countries now adver-tises itself with a sign in Rus-dividual Comecon members to sian. At least some small hope negotiate with Brussels, that is now seems to exist that last until some East Europeans inmonth's despatch by Vice Presi-dent Willy De Clerq of letters EEC could be so to the Soviet Union and its six itself and them. East European allies has speeded up the slow diplomatic

dance between the EEC and

Comecon.

In his missives to the seven Eastern governments and their the EEC wants to avoid, it was Comecon secretariat in Moscow, said. So, Brussels hit upon the Mr De Clerq proposed "norm- parallel approach to Comecon Mr De Clerq proposed "norm parallel approach to alisation" of relations. For the and to its members. EEC this would mean that each of the seven governments would not however been jammed with accredit a few of their Brussels calls. Part of the lack of rediplomats to the EEC; that sponse is due to the fact that diplomats to the EEC; that those governments that wanted to would negotiate separate trade accords with Brussels; and that the EEC and Comecon would agree to some general political declaration which cials of satisfies group Eastern bonour terms. political declaration

autumn that Comecon was not Agreement on Tariffs and Trade the EEC's equal in trade com- (Gatt) which Budapest joined in petence. He told Brussels that the early 1970s. and must be an EEC-Comecon declaration abolished. "could create more favourable conditions" for bilateral trade negotiations between the EEC and individual Comecon mem-

ON THE fourth floor of the EEC worried that words like "could Commission building in Brussels create" were too vague. It had the section dealing with state- wanted to pin Mr Sytchov down formally pointed out that the EEC could be setting a trap for

Getting some such formal "permission" from the Soviet Secretary-General would shrine the very Soviet hege-mony over Eastern Europe that

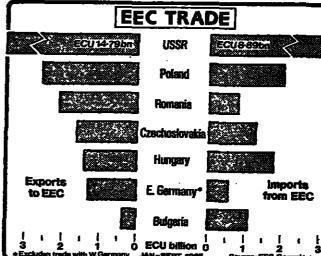
The Brussels switchboard has Hungary, the country which in recent years has shown the keenest interest in a separate trade deal with Brussels, is holding out for what EEC offi-cials describe as the toughest

while reserving real trade issues for individual countries on the demand it tabled in its to negotiate.

Mr Viatcheslav Sytchov, Brussels — that the quotas Comecon's secretary-general, which the EEC imposes on it implicitly at last conceded last are illegal under the General autumn that Component are accommended.

So central is this to the Hun-garian position that Budapest egotiations between the EEC officials even say they do not necessarily want an EEC accord, just for Brussels to recognise Hungary's rights as a fellow

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT



tual abolition.

the road before we sign any-thing with Brussels," said one official in the Hungarian capital this month.

The EEC Commission says the Hungarian demand is far too sweeping. For all its vaunted reforms, Hungary is still a state-trading country and, as such, is a legitimate target, even in Gatt, of quotas. In any case, there is simply no EEC political consensus for scrapping all the

Gatt member. The Hungarians quotas, when members like Italy say that quotas could be phased have as many as 800 national out, but that there must be a quotas on Hungarian industrial firm timetable leading to even-

modest proposals on the re-placement of some EEC quotas on its industrial products by voluntary restraint agreements, which EEC officials say are quite negotiable.
Poland and Bulgaria have in-

al abolition.

"We want to see the end of Comecon countries may heat e road before we sign any- Hungary to the Berlaymont

dicated that they have similarly modest views of possible trade

country so far to reach an accord with the EEC (in 1980), has greater ambitions, but will probably settle for a renegoti-ation of its 1980-85 agreement to cover a few agricultural products and some element of "cooperation." Moscow and East Berlin are unlikely to rush to Brussels,

because for different reasons, they do not really need trade concessions from the EEC. The Soviets mainly export energy and raw materials, which do not attract EEC restrictions, while East Germany is already in effect the hidden 13th EEC member, via its agreement on "inner-German trade" with

East Germany's trade with West Germany is three times its trade with other EEC members. But economics may not determine everything. For instance, if Mikhail Gorbachev, the Soviet leader, were to determine that his new strategy of wooing Western Europe (by implica-tion, away from the US), then Moscow might be one of the first Comecon members to recognise the EEC politically, if not to bargain with it commercially.

An agreement with the EEC on science might interest Mos-cow, say EEC officials, who themselves are reciprocally interested in what the Soviet Union is doing in high-tech and nuclear energy. That, in turn. might not however be pleasing agreements with Brussels. might not howe Romania, as the only Comecon to Washington.

### Philips to invest \$40m in Taiwan chip plant

PHILIPS OF the Netherlands is to invest \$40m (£28.5m) in a very large-scale integrated circuit (VLS1) plant projected to begin pilot runs in Taiwan later this year. The Philips investment in the

project is the first by the private sector, which the government hopes will put up \$75m of the \$145m equity. The government will put in \$70m and the remaining \$80m circuits. Philips' participation of the total \$205m cost will in the project will also include come from bank loans.

offers economy of scale and thus lower costs of production to the design houses. The plant will be able to produce one-megabit memory chips

as well as sophisticated logic

The new plant will allow relatively-small Taiwanese design houses to compete in international memory and logic-circuit markets, because it

### **Brussels agrees Spanish** demand for steel curb

THE EUROPEAN Commission tonnes, when in the past that yesterday accepted a Spanish figure would have been only demand to limit imports of slightly over 100,000 tonnes. Announcing the new restrictions, the Commission made munity before it was enlarged. From today, until the end of sales to Spain in 1986 will not the year, shipment from Spain's be lower than those in 1984. Commission partners of hoters of the past that the Ten's overall the year, shipment from Spain's be lower than those in 1984. Community partners of hot-rolled coils, cold-rolled sheets, and heavy plates will be restricted to a total of 505,033

of the year.

The restraints for each proceedings on Monday, citing a safeguard clause in the accession treaty at justification for the move.

The Spanish authorities a total of 626,942 tonnes of these three products were sold on January 1 and February 10

For practical purposes, the quantities of steel covered by the restrictions will be pre-sented quarterly until the end of the year.

these three products were sold to Spain, or just over 50 per cent of the total EEC steel pro-ducts shipped.

### Montedison in Czech accord

MONTEDISON, Italy's leading chemicals group, has concluded a \$100m (£71m) five-year trade agreement with Czechoslovakja.

Alan Friedman reports.

The deal which calls for

The deal, which calls for Montedison to supply chemicals, petrochemicals, pharmaceuticals and dyestuffs, is similar to two previous import-export agreements reached be-tween Montedison and East bloc tween Montedison and East bloc governments late last year.

These were a \$250m deal with East Germany and a \$150m con-tract with Hungary.

The new deal with Chemapol, the Czech state chemicals com-pany, reinforces existing trade ties and covers the five-year period of 1986-90.

Mr Mario Schimberni, Monte-

Mr Mario Schimberni, Montedison chairman, has placed a high priority on developing more trade ties with Comecon

### Japan power groups seek new LNG price formula

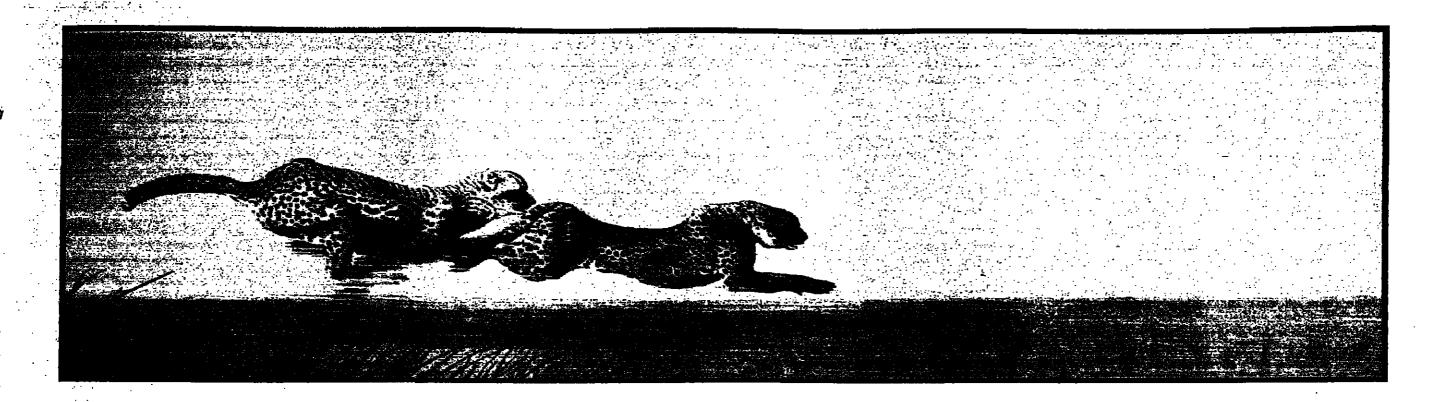
BY YOKO SHIBATA IN TOKYO JAPAN'S ELECTRICITY and

gas companies are to propose a gas companies are to propose a new pricing formula for liquefied natural gas (LNG) which will reflect market prices. Japan imports 27m tons of LNG a year, about 55 per cent of which is imported from Indonesia, and the rest from Malaysia, Abu Dabi and Brunel. LNG prices are now set in in P.T. Buddharma Jakarta, a line with the official government foint Indonesian stool parties selling prices (GSP) of crude oil. Oil producing countries have not reduced the GSP, while oil prices have been plunging. As a result LNG import prices As a result LNG import prices are more expensive than those

of crude.

LNG prices average \$260 a ton, while crude oil prices under the netback formula have plunged to around \$20 per barrel, against the GSP of \$28. ● A JAPANESE consortium, comprising Marubeni, Nippon Kokan and Toshin Steel, is negotiating to sell its stake joint Indonesian steel venture.

The company was established with the Sumber Sejahtra group in 1974. Marubeni provides raw materials and markets the company's product, Toshin Steel is responsible for The GSP pricing formula was technical guidance and Nippon adopted in 1976 to stabilise LNG Kokan, as Toshin's parent, held



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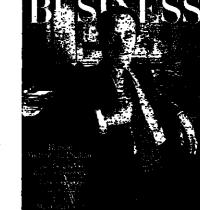
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POWER & MONEY TALKING.

Hugh Carnegy assesses Dublin's view of Unionist hostility to the Anglo-Irish accord

# State airline fears delay in privatisation schedule

press ahead without further delay with the privatisation of British Airways (BA) this summer was made yesterday by Lord King, chairman, to a private meeting of more than 140 Conservative MPs.

Arguing that BA's place was rightly in the private sector, Lord King said that privatisation would be one of the most significant sales in the whole government programme of rolling back the frontiers of the state. It would show the success of that philosophy to the

Lord King met the MPs because BA fears that the Government could be on the verge of delaying privatisation of the airline, in fayour of other candidates such as British Gas.

Some sectors of the airline industry believe that there could be fur-

A PLEA for the Government to Laker collapse. This would add to 747-400 long-range Jumbo jets to re-Laker collapse. It is would all with the said that it believes such fears are groundless.

It has an agreement with the US It has an agreement with the US

Department of Justice over the Laker claim of conspiracy to drive that airline out of business, and has loss of North Atlantic cheap fares.

Outstanding are legal actions by a Los Angeles travel agent and a claim by Laker employees for com-pensation. These, BA believes, can be settled reasonably soon by lawyers for the parties, and do not justify further delay in privatisation.

One concern to BA is that it has been denied by the Treasury, pending privatisation, the right to go ahead with fleet re-equipment plans, costing well over £2bn, espether US litigation in the wake of the cially for a new fleet of 20 Boeing

even perhaps the Boeing 7J7 prop-

BA fears that if privatisation is agreed a settlement of \$30m for fur-ther claimants seeking damages for right to settle its own re-equipment situation, it will, in Lord King's words, become "a second-rate world

> He told the MPs that the present Government had interfered with the airline less than many of its predecessors but BA now needed quickly to become a free operator. Lord King added that in the pri-

ready competed against it.

vate sector, BA would be able to ing its message that the Dublin react quickly to its market, and to maintain and improve its position against the 140 airlines which almost, has been badly misled by Mr

Republic unlikely to make concessions

and violent turn of events in Northern Ireland in the past two weeks Unionist opposition to the Anglo-Irish accord can be summed up in the words of one official in-volved in dealings with London who said: "The only way forward is to continue working this agreement." eration, the union representing rank-and-file police

Publicly at least, the Irish Government has been reduced almost Paisley, the two main Unionist party leaders. to the role of observer as the battle of wills between the Unionists and Undoubtedly, ministers and offi-cials in Dublin have been disapthe British Government has become the focus, in contrast to the pointed by the sustained intensity of Unionist opposition since the early days when Dublin made much of the running in the inter-governmental conference. agreement was signed last November by Mrs Thatcher and Dr Garret

In the present phase, it has pro-nounced itself pleased with the way Mrs Margaret Thatcher, the Prime Minister, has dealt with the situation and concentrated on reaffirm-James Molyneaux and the Rev Ian

officers. One Federation member received loud ap-NORTHERN IRELAND'S Democratic Unionist Parplanse when he suggested that the agreement should be scrapped, while another criticised the ty yesterday made public a tape-recording which it claimed showed the opposition of the mainly Protes-tant Royal Ulster Constabulary (RUC) to the Anglo-Irish agreement. The Rev Ivan Foster, a member of the Northern Ireland Assembly, said the tape was made secretly at a recent meeting of the Police Fed-

Chief Constable, Sir John Hermon, for his "collaboration" with a system which made the RUC "a politi-cal puppet in the eyes of the people of this country." The RUC said that it had no knowledge of the divide in Northern Ireland might have been worse and might have

Some slight encouragement is also taken from the fact that, al-though Unionist leaders remain vehemently hostile to the agreement, the ground has shifted somewhat with expressions of willingness to negotiate power-sharing and some role for Dublin if the

agreement was set aside. According to one Irish preagreement assessment, progress on

persuading the Unionists to join talks on devolution could not be expected for at least a year. So when Mr Molyneaux and Mr Paisley spilled over into the republic. Violence on Monday's day of action came out of their meeting on Februwas seen as serious, but there was ary 25 with Mrs Thatcher and inirelief that there were no fatalities.

> direction, Irish hopes leapt. The hopes were mingled with disbelief, however, and the latter was borne out by the swift about-turn when the men returned to Belfast the same night.

> tially signalled they might go in this

The Irish Government feels it

can successfully steer a course away from the hardliners and who that figure may be.

In the meantime, although government spokesmen insist they have some contact with Unionists. it seems they rely chiefly on televi-sion, radio and newspapers, especially the loyalist Ulster Newsletter, to gauge what Unionist people are

There are hopes that an influential moderate stream of Unionism may still be tapped before the "hard men" take over. The reaction of Mr Molyneaux and others to the ugly scenes and intimidation of Monday's strike fuels these hopes.

There is little inclination in Dublin to make concessions on the

The republic treasures the gains which it feels have been made cannot risk embracing any Unionist through the Anglo-Irish conference figure who could not deliver support on the ground in the north, so

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# RARCI AYS 1985

### The Chairman, Sir Timothy Bevan, said today:

I am very pleased to report record pre-tax profits of £854m - £231m higher than in 1984. Combined with our 1985 rights issue, these profits reinforce the capital base we need to meet the increasingly vigorous competition in financial services both in the UK and in the international markets. These results will also enable us to increase total dividends for the year by 14% to 18.60p.

In the UK all major operations, the cleaning bank in particular, increased their profits. Overseas we achieved encouraging results in a number of areas, notably Barclays American Corporation.

banks from the beginning of 1985 has helped to improve the overall profit performance.

Among initiatives taken to enhance the quality and range of services to customers are a major drive on service in the clearing bank, the creation of a Financial Services Division to bring together our trustee, insurance and unit trust operations, and further investment in Barclays de Zoete Wedd, soon to become our new domestic and international securities and investment group.

The integration of the UK and international Sir Timothy Bevan, Chairman of Barclays PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1985

The Directors of Barclays PLC report the following Group results for the year ended 31st December 1985:	1985 £m	1984 £m
Operating profit	. 780 . 74	511 112
Profit before taxation and extraordinary items  Taxation	. 854 . 405	623 328
Profit after taxation Profit attributable to minority interests in subsidiary companies	449	295 4
Extraordinary items:	447	291
Special provisions for deferred taxation  Transfer from reserves	:   <u>-</u>	(543) 543
Other items :		7
Profit attributable to members of Barclays PLC	3 450	7 
Dividends: Interim	58	43
Second interim	70	46
Profit retained	128 322	209
Earnings per £1 Ordinary stock Dividends per £1 Ordinary stock	69.5p	53.4p 16.33p

The information in this announcement does not comprise full accounts The information in this announcement does not comprise full accounts within the meaning of Section 254 of the Companies Act 1985. Full accounts, including current cost information and containing an unqualified audit report will be published on 27 March 1986; copies will be delivered to the Registrar of Companies in accordance with Section 241 of the Companies Act 1985.



# Government plans widespread overhaul of the criminal justice system

AN ENORMOUS bill, controversial in many parts, will be introduced in the House of Commons in the au-tumn to make major changes to the criminal justice system including sentencing, youth custody, the jury system, extradition and reparation to the victims of crime.

Fitzgerald, the Irish Prime Minis-

ter. They expected initial rejection

but counted on significant numbers of moderate Unionists being willing

to work within the framework it

Yet the picture is not regarded as

totally bleak. Levels of violence by paramilitaries on both sides of the

The Government published a White Paper (policy document), detailing its plans yesterday together with two discussion papers on some of the more controversial proposals removing some offences from the category in which the defendant has the right to elect for trial by jury and changes in the arrange-

ments for young offenders sen-tenced to terms in custody.

Mr Douglas Hurd, Home Secre-tary, inherited many of the proposals from his predecessor, Mr Leon Brittan, although the proposals on juries and extradition have been de-veloped since he took over. The bill is also likely to contain clauses changing the rules governing the anonymity of rape case defendants, although this is not covered in the

Sentencing and powers of the court: The paper proposes an in-crease from 14 years to life imprisonment as the penalty for carrying firearms in the furtherance of crime. This change is a result of Tory Party conference clamour for stiffer penalties and is more cosmetic than most of the other much difference in actual time served in jail under an average life sentence and a 12 or 14-year sen-

Ten years after the Salmon Commission reported on the standards of conduct in public life, one of its key recommendations is to be implemented. The maximum sentence of two years in prison will be raised to seven years for offences of corruption such as bribes of gifts

The Government also intends to inflation-proof the maximum fines which can be imposed by magistrates for summary offences. It is also anxious to respond to public concern about the occasional seemingly lenient sentences. This is in spite of the rejection by the House of Lords during the passage of the Prosecution of Offences Bill of a proposal to allow the Attorney General to refer apparently over-lenient Crown Court sentences to the Court of Appeal for opinion.

The preferred solution is to publish the Court of Appeal's sentencing judgements in a much more coherent and accessible form by a statutorily constituted Judicial Studies although Mr Hurd is invit-

Radical changes in sentencing options such as semi-custodial senRobin Pauley looks at proposals that could lead to fundamental change in the nature of British criminal law



Mr Douglas Hurd

of the day have been considered as options to full custody, but are not to be pursued, mainly because of the heavy costs involved.

A source of controversy is to be removed with the abolition of a power introduced in 1980 allowing magistrates to order people to be ained for up to four days in p lice cells. The White Paper says that this practice involves "unsuitable" accommodation - in some areas there are no police cells certified for detention under the power - and inappropriate personnel. It says the police should prevent and investigate crime and not be used as an agency for carrying out court sen-

Home Office ministers have been surprised at the lack of controversy over proposals in the Drug Traffick ing Offences Bill under which the assets derived from major drug dealing can be confiscated. So they intend to apply the same general principles to some other crimes such as organised crime or very serious fraud. They are inviting comments on the extent to which the plans for drug trafficking might be extended to other crimes.

At the same time, the powers of courts to order the forfeiture of property used in connection with crime will be widened to cover all offences, property lawfully seized at any time and to goods of which ssion is itself an offence.

Victims of crime: Wider powers are to be introduced to force offenders to pay compensation to their victims. Courts will be required to give reasons for not awarding com-



Mr Leon Brittan

age. Restrictions preventing com- community service to be ordered in pensation orders to dependants and the case of a fine default. relatives in fatal cases will be relaxed, as will the limits on orders in ideas, the White Paper says: "The

traffic accident cases : One way of ensuring payment in come any further suggestions eith-some cases will be to allow the mon-er on this proposal or en other ways ey raised by selling forfeited prop- in which the problems associated y to be used to compensate the with fine defavictims of the crime in question. The Criminal Injuries Compensa-ing, like other recent Home Secretion Scheme, which makes payments to victims of violent crime, is role of the Home Office is becoming to be put on a statutory basis, con-rapidly internationalised, particular ferring on eligible applicants a defi- larly in respect of drug trafficking, nite right to compensation.

Procedural changes: The most jury system. The Government is anxious about the peremptory challenge system which allows defence counsel to remove up to three potential jurors from the box for each defendant on trial.

This really concerns multidefendant cases where each defendant's right to remove three jurors can mean the entire first jury being replaced.

Mr Hurd is inviting comments on tion in the number of peremptory challenges allowed from three to two or one, or a special limit in multi-defendant cases.

In any case, the right of challenge for cause (where either the prosecution or defence challenges a juror and explains the reasons after which the judge makes a public decision) remains unaltered.

Until 1977 a defendant had the right to challenge seven jurors but

this dated from the days when unanimous verdicts were mandatory. Now, majority verdicts of at least 10-2 are allowed and the Government's anxiety is that, as three is the minimum number needed to prevent a majority verdict, more and more defendants are using the peremptory challenge in the hope of replacing people who "look" likely to be unsympathetic.

The new bill will include many of the recommendations made in the Roskill report on fraud trials, but it has not yet been decided whether or not to replace the jury in complex fraud trials with an expert

Comments are also sought on the idea of raising the upper age limit of potential jurors from 65 to 70 on the basis that they would be eligible for jury service but not compelled to serve. This would bring another 2m people within the scope of jury

The Government is still struggling with the problem of enforcing fines but has decided against imple menting the provision in the Crimitences for weekends, nights, or part pensation for injury, loss or dam- nal Justice Act 1972 which allows

With a note of exhaustion of Government would, however, wel-

Extradition: Mr Hurd is discovertaries, that the essentially domestic

terrorism and extradition. Britain's Extradition Act dates controversial aspect concerns the from 1870 and the Government's proposals for reform to make it easier for foreign countries to extradite both foreign and British nationals

from Britain are likely to be fiercely contested.

The key proposal is to abolish the requirement that the state requesting extradition must establish in British courts a prima facie case against the "fugitive." according to English rules of evidence. This means a magistrate has to be conthree options: complete abolition of the peremptory challenge, a reducing committed for trial if the offence had been committed in the

Leading Article, Page 22



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The Government feels this is a formidable impediment to extradition. It says abolition of the rule will not diminish the rights of the fugitive who will still be protected by the political safeguard, the double criminality rule and the Home Secretary's overriding discretion to prevent extradition

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Tali Tali

BRITAIN recorded its sixth consec-utive year of trading surplus in count balance in 1988 to £4bn, but 1985, the Government amounced the surplus on trade in oil this year yesterday. A surplus of £900m in is expected to be less than his £80n the last three months of the year prediction as a result of lower oil brought the surplus on the current prices. account of the UK balance of payments to C3bn for the whole year.

Invisible trade in 1985 is preliminarily estimated to have produced a surplus of ESbn; the Central Statistical Office said: While the UK's surplus on trade in services rose, in number of companies' overseas vestment carnings received from profits were reduced by extraordioverseas were lower than in 1984.

The balance of payments figures are in line with the Government's forecasts, with both visible and in- Sohio. visible trade balances close to the lor of the Exchequer, then forecast vices rose by £1,2bn, while the UK fice said.

Investment earnings, including interest payments, profits and dividends, showed a surplus of £2.3bn in 1985, compared with C3.3bn in the previous year. Earnings were reduced in the fourth quarter as a nary charges. For example, BP re-corded a charge of £500m against the profits of its US subsidiary

The estimated surplus on trade in levels indicated in the Govern-financial services rose to £6.3bn last ment's Autumn Statement in November. Mr Nigel Lawson, Chancel-Net earnings from financial ser-

The UK deficit on transfers of funds - including payments to and from the EEC, remittances from migrant workers and gifts - increased to £3.6bn. Disputes over the 1984 EEC budget meant that payments to the Community for both 1984 and 1985 were made last year, while the UK's 1985 rebate from the EEC was delayed until January this year.

Visible trade was in deficit by £2.1bn for the whole of 1985, compared to a deficit of C4.4bn in 1984. The deficits in 1984 and 1985 were made worse by the effects of the coal strike. Without the strike, last year's deficit would have been around £850m, close to 1983's delicit of £800m, the Central Statistical Of-

> Mr Dorrell said the recent de the exchange rate mechanism.

Mrs Thatcher recalled that she faced such suggestions at regular internals, including an occasion when sterling had stood at a rate of DM 3.70 compared with the current rate of DM 3.20. Those who had advocated the step then "must be rather glad that we did not go in because we would have suffered rather greviously if we

"One day when we think the time is appropriate we shall join the exchange rate mechanism. We do not think it is appropriate

Mr Enoch Powell (Ulster Unionis) urged the Prime Minister to remain deaf to the "unwise promptings" that Britain should return to the "miseries and lollies" of a fixed exchange rate for

# **Thatcher** rejects full EMS entry calls

STERLING'S special status, which distinguishes it from other European currencies, was again strongly emphasised by Mrs Margaret Thatcher, the UK Prime Minister, in the House of Commons yesterday when she rejected renewed calls for Britain's immediate entry into the exchange rate mechanism of the European Monetary System.

The calls were led by Mr Stephen Dorrell (Conservative), who quoted the view of Mr Samuel Brittan, chief economic com-mentator of the Financial Times, that such a step would help to re-duce the level of interest rates in

cline in sterling which had made it more competitive indicated the time was ripe for its inclusion in

now," she said.

POOR FEBRUARY PERFORMANCE BLAMED ON TAKEOVER DISCLOSURES

# Austin Rover market share falls

BY KENNETH GOODING AND JOHN GRIFFITHS

AUSTIN ROVER's UK market than 2 per cent down on the 18.29 hall, the GM subsidiary,

The company, the volume cars to date with 17.18 per cent. subsidiary of state-owned BL, yesthe break-up of BL and the discloover approach.

wer approach. with last year, to 25.38 per cent against 28.03. The first fortnight of February ticularly critical of subsequent public statements, first by Mr Sam Toy, just went dead," one Austin Rover Ford UK's chairman, then by Mr executive said yesterday. Some Bob Lutz, chairman of Ford of Eu-fleet operators were said to have rope, regretting the ending by the postponed orders until April at Government of takeover talks and least, in the hope that by then the warning that the decision could cost situation would have clarified. many Austin Rover-related jobs.

(SMMT) showed Austin Rover's which Austin Rover is collaborat-

share fell to 15.79 per cent in Febru- per cent achieved in the same ary, over 3 per cent behind Vaux- month last year, and to have fallen behind that of Vauxhall for the year

Vauxhall achieved 19.08 per cent subsidiary of state-owned BL, yes-terday blamed its poor performance in February, also down on the 19.95 directly on the uncertainties creat- achieved a year earlier. Its year-toed over its future by the furore over date share stands at 18.10 per cent. Ford, the market leader, also saw sure - and aborting - of Ford's take- its February share drop compared

One element in the uncertainty

Statistics from the Society of Mohas related to the possibility of an tor Manufacturers and Traders adverse reaction by Honda, with market share last month to be more ing, to disclosure of the talks with

However, Mr Harold Musgrove, Austin Rover's chairman, is underception from Honda during his cur- among dealers. rent visit to Tokyo to further a planned joint model to replace the ment of the signing of a further could boost Austin Rover's output agreement to develop the car is ex- by hundreds of thousands a year by

pected shortly. Mr Musgrove is believed to have discounted any prospect of Honda

Mr Lutz declared that Austin chairman and chief executive of BL Rover would be inextricably linked is bound to create some temporary. with Honda within six months. He uncertainty of its own. But yesterclaimed that all Austin Rover's fu-day there was also optimism within ture models would rely heavily on the company that firm new leader-Honda models, designed for Japanese components - a claim hothy decompany's image.

beneficial for Austin Rover and rebutted suggestions that it would lead to plant closures, job losses in stood to have had a very cordial rethe components industry and

As part of Ford, Austin Rover would have been in a stronger posi-Maestro and Rover 200 Announce- tion he claimed. For example, Ford selling distinctive MG and Rover models on the European Continent

The appointment of Mr Graham taking an equity stake in Austin Day, the British Shipbuilders chairman, to become the new full-time

nied by the company.

Mr Lutz suggested that a Ford takeover would have been wholly

The SMIMT's statistics showed total sales last month losing the early impetus of January.

# **Drive to** cut rail catering loss

By Lise Wood

BRITISH RAIL is to ask the private sector to help to provide food on trains as part of a £12m shake-up of

its catering activities.

The meau will include such dishes as venison and grouse which, like airline food, will be partly cooked, chilled and loaded on to trains before being reheated on

The aim is to improve standards of food on trains and to make the catering side of BR's on-train cater-

ing operation profitable by 1989. In the 15 months from January 1 1984 to March 31 last year, on-train catering, run by Travellers Fare, a wholly-owned BR subsidiary, made a loss of £6.8m on an annual turnover of £30m. Catering on stations in the same period made an operating surplus of £4.3m on a turnover of £70.6m.

The private sector will be asked to supply food to new refrigeration points on the rail network. BR said: "We are not seeking to privatise ontrain catering but merely to buy a service. All the food will continue to-be served by BR employees."

The reorganisation will involve The reorganisation will involve splitting the catering activities with Travellers Fare retaining responsibility for stations and catering on sibility for stations and catering on special "winter premotion to replace the committee stage, which would be staged by the stage of the stag trains becoming the responsibility of Inter City, the commercial part of

BR said there would be no plastic knives and forks as on airlines. It will retain its traditional restaurant. car with silver service on china

Dishes at the top of the market such as venison and grouse can be served at the seats of first-class pasgers will eat in a restaurant car.

For those not wanting to pay more than £10 a head for a 3-course meal, BR is planning hot snacks such as lasagne and sandwiches with fillings other than the stalwarts of ham and cheese.

# Print unions agree flexibility pact

BY PHILIP BASSETT, LABOUR EDITOR

LEADERS OF the print unions Sogat '82 and the National Graphical Association are recommending acceptance of a pay agreement for the general printing industry which provides for an important element

of work flexibility. The executives of both unions have approved the deal reached earlier this week with the British Printing Industries Federation, the body for general non-newspaper printing companies in the UK.

In the light of News International's dispute over its new printing plant at Wapping, in east London, the deal is an indication of the changes which can be achieved through normal negotiated meth-

The non-pay elements of the deal tures for the industry. Its provicompanies to arrange their working mance could be fairly judged.

time to suit fluctuations in seasonal

and customer demands. It stipulates that for Sogat members, there shall be no demarcation within or between jobs in ware-housing, bookbinding, print finishing, stationery, carton conversion and printing departments. Sogat members may be called on to carry

out any duties in any of these areas Raymond Sneddy writes: All the copies of Mr Eddie Shah's new daily, Today, seem to be selling out despite arriving late at most newsagents. "We could sell four times as many as we are getting", W. H. Smith, the wholesale newspaper distribution group, said.

Production problems disrupted the launch of the paper on Tuesday but about 1.2m copies were printed are among its most important fea- on Wednesday night. W. H. Smith, which distributes about half of the sions on hours for the first time in-crease the flexibility of member month before Mr Shah's perfor-

# New 'winter premiums' planned to help elderly

BY KEVIN BROWN

controversial Exceptionally Severe broadly replace supplementary ben-Weather Payments scheme, Mr efft. Mr Fowler said he was also Norman Fowler, the Social Services considering the role of the proposed Secretary, told the House of Com-Mr Fowler told MPs during a de-

sidering "more effective ways" of deploying the resources provided by the Government to help vulnerable groups with heating costs. The severe weather payments cheme has been widely criticised

because of alleged delays in pro-cessing payments caused by its dependence on the discretion of officials in more than 500 local social

Mr Fowler said "winter prem-iums" could be paid under the in-

social fund, which is intended to provide emergency social security payments, in combating problems with fuel bills.

bate on the elderly that he was con-Mr Fowler rejected claims by Mr Michael Meacher, the Labour social services spokesman, that more than 6,000 more people had died in the first three weeks of February than in the equivalent period last year. Mr Meacher said the extra deaths were caused by a combination of the extreme cold and the Government's failure to protect pensioners.

Mr Fowler said Mr Meacher's fig-

# Liverpool heads for new budget crisis

nancial year because its Labour- March 25, councils must now set controlled council failed to apply in their rates by April 1 - earlier than time for an increase in spending in previous years. Liverpool finds limits that would have allowed it to that it can meet that deadline only meet its financial obligations.

much as £7 a week,

ting a legal rate for 1985-86 - are far £274m. from clear. Councils are legally

Liverpool could have applied to
obliged not only to set rates (local
the Government for an increase in sure that they provide adequate did not do so until after the Decem-

new budget crisis in the coming fi- ernment Bill, set to become law on neet its financial obligations.

Without more cash from the Govshortfall between income and ex-

£312m in the 1986-87 financial year. The consequences of the situation But spending curbs on councils imfor the councillors concerned - 48 of posed by the Government means a whom were surcharged this week maximum permitted increase in the in the High Court for delays in set-rate of 15.5 per cent, generating just

Liverpool could have applied to property taxes) on time but to en- its spending limits, but reportedly ber 18 deadline. A last-minute appli-

also been surcharged, the same sit- strate their support for their suruation does not apply. Lambeth has charged colleagues. Five London ernment, the council may have to cut about 3,000 of its 31,000 jobs and raise council-house rents by as low for inflation would require to ensure that the Government's — fear that they too may face action new deadline is met.

ment's support for the rebel council-possible surcharging of Labour lors in Liverpool and Lambeth - Councillors. lors in Liverpool and Lambeth each of whom stands to lose several Liverpool councillors are not now thousand pounds as a result of the expected to appeal against their High Court ruling - meanwhile re- surcharges and might, therefore,

leader, did not raise the issue in the date on which they can lodge notice House of Commons, and up to yes- of appeal.

Under a clause of the Local Gov- cation lodged last month, which terday evening had spoken to none might still have been accepted, of the councillors concerned. Nor failed through an alleged lack of the was there contact by any member

necessary financial details.

In the London borough of Lambeth, 32 of whose councillors have hand, have been quick to demonstrate the council of the Shadow Cabinet.

Labour councils, on the other hand, have been quick to demonstrate the council of the Shadow Cabinet. by the audit commission in respect The extent of the Labour move- of their 1985-86 rates, leading to the

expect to be disbarred from holding Mr Neil Kinnock, the Labour public office from April 2 - the last

# Gear change sought to keep Raleigh bicycles on the road

TI, the UK engineering group, is to seek radical changes in production methods and work practices in another attempt to seek a future for its troubled Raleigh bicycle operation. The aim is to find the profitfered dramatic switches in fortune

in recent years. On a sprawling 64-acre site close to Nottingham, the Raleigh factory, in 1978 had 6,000 workers to assemble more than 2m bicycles, more than 60 per cent destined for overseas markets. With the workforce already cut to 1,800, profitability is sought on an output of about Im cycles. The UK is the main market. with only 30 per cent of production

The reason why yet another recovery package is necessary is the tumble the local market has taken in the past two years, dropping about six companies supplying spefrom record deliveries of 2.3m bicycles in 1983 to 2,1m in 1984 and to below 1.5m last year. Two bad summer and the passing of the BMX (bicycle motor-cross) craze have

The UK is not alone in suffering a downturn. West Germany has seen cycle deliveries to the retail trade slide from 4.1m to just 3m two years. Similar falls have been incurred by other cycling nations such as the Netherlands and Belgium. The French market has remained fairly stable at about 1.8m, a fact attributed to the sunnier climate in the southern region.

In a West European market experiencing over-capacity and cheap imports from Eastern Europe and the Far East, there is pressure on prices and profits. Kalkhoff, one of the leading West German assemblers, ran into financial problems

Arthur Smith on the cycle ment accelerated. makers' plan to change work practices to reverse nouncement in October 1984 that its flagging fortunes

In the UK, TI Raleigh dominates ent of output.

Raleigh sorted out the problems
Way behind is Holdsworthy with last year and continued to achieve

the second biggest.
Elswick Falcon on Humberside sales lagging, a backlog of stock in the retail system and difficulties in claims a greater market share of the European market, it became about 8 per cent, but it imports about half of the 120,000 cycles it sells. The rest of the UK assembly

industry is to be small scale, with

cialised markets. TI rose to dominance in the 1960s - a troubled time for the industry as increasing affluence caused a switch to motor cars - by merging assemblers and components suppliers under the Raleigh and Sturmey Archer names. The bubble burst after 1979 as the policies of the Conservative Government pushed up

Raleigh found itself priced out of than "hand-me-downs." markets. Even the US, to which it . had been exporting 250,000 bicycles a year, had to be abandoned. Prob-lems were compounded by political and financial troubles which wiped out traditional markets in Africa

and the developing world. ing on defending the home market muter's prayer. against imports and seeking to export to sophisticated markets in Europe. Labour was shed, the product considered the cost of closure.

range slimmed and model develop-

Just when profitability was being restored, there was a shock anthe new £6m computerised paint and assembly operation at Nottingham was presenting problems. Future investment was frozen and temporary labour taken on to en-

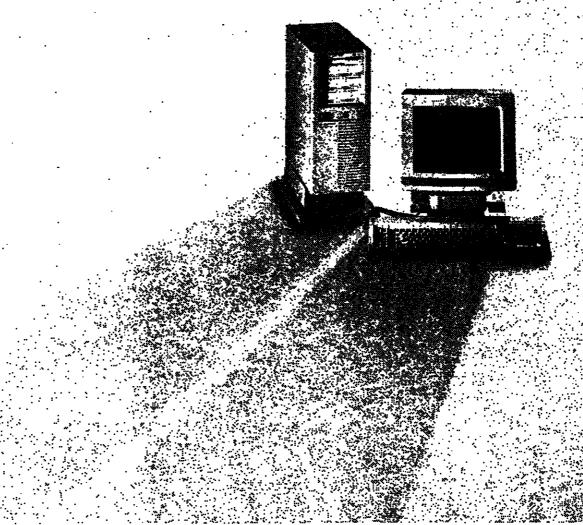
107 workers and an output of about economies, cutting the workforce 100,000 cycles, which claims to be from 2,600 to 1,800. But with UK clear that more decisive action was A task force, aided by McKensey

management consultants, was set up last autumn. Changes in work practice based on experience in Japan and other overseas operations received the backing of the Ti board this week. Raleigh sees potential growth in

the West European cycle market. Almost 80 per cent of sales are to children under 16, and more than 90 per cent of boys and 70 per cent of girls at some time own a bicycle. interest rates and the strength of Growing affluence means that most cycles will be new purchases rather

The adult market, with the em phasis on health and leisure, is also looking more buoyant. The average US father's answer to the BMX the ATB - is already beginning to catch on. The all-terrain bike, with big tyres but sophisticated gears, is Raleigh responded by concentrat- seen as the answer to the city com

Raleigh, having incurred heavy losses in recent years, might have



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# Breaking the mould of old practices

David Marsh on the Japanese tyre group's experiences in Europe

A JAPANESE industrial revoluof ageing tyre factories across the manufacturing heartlands of Europe.

In 1983-84 Sumitomo Rubber In 1983-84 Sumitomo Rubber Industries (SRI), the Kobe-based tyre company, emerged from the shadows to take over Dunlop's European tyre-making operations; the sun had finally set on a century-old British rubber empire which once ringed the world. Two years later, the heirs of Dunlop are on the way to carrying out the tyre industry's biggest ever tyre industry's biggest ever remoulding job.

Dunlop set up SRI in 1963 and up to two years ago still held a 40 per cent stake. Japan's first tyre plant was set up in Kobe by Dunlop in 1909. Although part of the Sumitomo family of companies, whose interests range from steel to banking, SRI ranked only number 12 among world tyre-makers in 1984. It then bought for £45m a string of loss-making British, French and West German factories, two of them dating from the First World War, as part of the tangled series of events stemming from Dunlop's nearfinancial collapse, dismember-ment and subsequent takeover by the British conglomerate

Now the owner of eight plants and \$700m worth of operations in the three countries, SRI has invested a total of around \$300m. so far (including the repurchase of Dunlop's 40 per cent stake) to mount a challenge to European industry which is audacious even by Japanese

The move has brought Sumi-tomo Rubber up to seventh place in the international tyre league and gives it a bridgehead from which to confront Europe's tyre leaders on their home ground.

In an industry where concentration moves are becoming more frequent—underlined by January's announcement of the merger between the two US managers and production experts — 35 are in place throughout Europe to supervise

the country's number one protion is bubbling in a collection ducer, Bridgestone, of ageing tyre factories across the manufacturing heartlands of breaks new ground in the pattern of Japanese investment in Europe, previously carried out mainly through joint ventures and construction of green-field factories in young and expanding industries like consumer

electropics or components.

It marks the first time that Japanese management and production techniques are being grafted on to the tissue of old established factories in an industry beset by international over-capacity and cut-throat

After annual productivity improvements of 15 to 20 per cent or more during 1984-85, a dramatic surge in capital investment and a sharp increase in morale at the factories—now running on markedly reduced workforces Sumitomo Rubber says it is on target in its bid to turn the ex-Duniop factories to profit by 1987.

Kyo-Hei Yokose, the 68-year Kyo-Hei Yokose, the 68-yearold SRI chairman and chief
executive, grow up in Kobe
within sight of the belching
chimneys of the Dunlop plant.
He recalls as a boy using the
company's rubber water bottles
stamped with the bearded portrait of John Boyd Dunlop who
patented the pneumatic tyre in
1888 Now that SRI has eclipsed 1888. Now that SRI has eclipsed its former owner, he says with studied understatement: "We have changed the master/ student relationship."

Despite the advances of the past two years, productivity at the oldest European factories at Birmingham and Montluçon is still only one third of that in SRI's comparable Japanese plants (the ratio was previously 1:4); the gap at the newer European factories is 1:2. But in all three countries, considerable change has been accom-

royal—some analysts are pre-dicting that, by the end of the the changeover, although the decade, more than 75 per cent number is gradually dropping of world tyre-making capacity—enthusiastically pound the could be in the hands of five or productivity chart-strewn works six companies. Two of them are areas, newly painted in reds, likely to be Japanese—SRI and blues, greens and yellows.

Auvergne region of central France was constructed as a munitions factory in 1918.

Workers now plant bushes in
the dusty soil to mark the completion of training courses at
which they may find themselves
studying marketing techniques
and sitting—in identical uninext to managers.

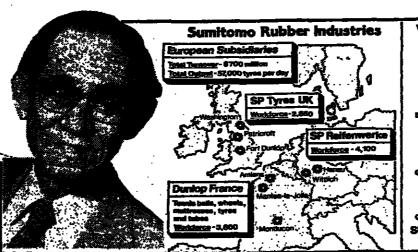
Alphonse Salz, the engineer in charge of training sessions in a set of new classrooms, says the aim is "to develop responsi-bility" and break down barriers between different sections of the workforce.

At Fort Dunlop, Birmingham, the oldest parts of which date from 1917, Japanese production engineers have developed the good-humoured habit of baptising new extruding machines with saki, and shop floor signs proclaim: "More tyres are desperately needed to meet

In Hansu, close to Frankfurt, a facility originally dating from 1904 but completely rebuilt after Allied bombardment in 1945, a Japanese technical manager tries to please the plant's 800 Turkish Gastarbeiter by adding a sentence in Turkish to a factory presenta-Turkish to a factory presenta-tion. His bobby, he tells the workers, is tyre plants.

Kurt Himmel, the Hanau pro-duction director, enthuses over Japanese willingness to spend money on upgrading machinery, and making factory alterations for which cash in the past had never been available. Over SRI's policy of encouraging neatness, both for safety and to improve productivity, Himmel says: "We thought we were clean. But the Japanese have

Already in charge of over-seeing the company's European operations, Yokose was pro-moted in November on the death of Shinishi Saito, the previous chairman. He is based ham-a sign of the immense importance SRI attaches to its



World Tyre Manufacturers - 1984 Type seles in \$ billion EDGESTON PERELLE DUNLOP EMERAL TERE CONTRIENTA CHOTHELS

AMID THE general hue and cry last week in Tokyo about the ruinous effects of the higher yen on Japan's exporters, Sumitomo Rubber quietly announced that it was increasing its European tyre exports to the US by 75 per cent instead of increasing exports from Japan.

But this sort of flexibility was not even a minor consideration when Sumitomo Rubber considered the acquisition of Dunlop's European plants. "It is true that we did not seek the acquisition. But if we had declined, the plants may have gone to com-petitors," says Shizue Katsu-rada, president of Sumitomo

Sumitomo Rubber is based in Kobe, a city where the name Dunlop can still find a room in a fully-booked hotel. although

pean factories compared with trio, returned to the black last the final cash-starved years under Dunlop — as well as renewed attention to maintenance and much-improved train-ing for all categories of staff. Last year saw £15m spent at the UK factories and DM 50m (£15.5m) in West Germany, while in France planned capital spending of FFr 300m (£30.3m) in 1984-86 will be exceeded.

The workforce in the three countries, including sales organisations, is 10,850. Capacity reductions in truck tyres at Montluçon, together with more than 3,000 staff cuts, were put into effect in 1984 as a condition for the takeovers.
"The change is tremendous,"

European acquisition.

The key task, he says, has been to cut through the "vicious circle" of Dunlop's poor production, inefficiency and falling sales. This has involved sharp increases in investment spending—up about fivefold over the last 18 months across the Euro
The change is tremendous," comforting to be with a group with a strategy."

The change is tremendous," comforting to be with a group with a strategy."

The most important part is painful. Fort Dunlop has seen to cut through the "vicious circle" of Dunlop's West German substituted of the new SRI company at the beginning of last year.

The change is tremendous," comforting to be with a group with a strategy."

The most important part is not the capital expenditure— its the supportive attitude of man of the new SRI company at the beginning of last year.

Its few years have certainly been painful. Fort Dunlop's workforce decline to 2,000 only five years ago.

A further 250 office, engineering and and sales jobs are to go over the next few months under cuts now being negotiated with unions.

# Why the customer is paramount in Kobe

of Duniop Japan more than two years ago, a number of executives still identify them-selves as Mr So-and-so from Duniop. It was not so long ago that Sumitomo was receiving technical assistance from Duniop UK. "We only caught up with them on tech-nology about four years ago," says Katsurada.

But as to running a business, top Sumitomo executives mince few words. "We think the actions taken by the historically glorious Dun-lop were not adequate to support the company."

In more modern times, Katsurada says of Dunlop UK: "The Birmingham Tyre Technical Centre was the

year for the first time in more than a decade.

It has been given responsi-bility for technological develop-

ment long denied under Dunlop ownership, and now has its own tyre testing track. "Before, we were treated like a colony... Dunlop had lost contact with the market," says Dr Titze. "Without the Japanese, we would be kaput."

over its objectives — and it doesn't want to attain them all tomorrow, but is willing to give itself time," says Marcel Marthieu, director at the Montlucon plant both before and after the SRI takeover. "It's

the world. But their splendid results were not connected to the user-oriented products. They made good products and think it was completely upside-down."

Katsurada says he runs his company on three prin-ciples. The first is what he calls genshi genbutsu-ism, which translates as putting which translates as putting the products where the customers are. This on-the-spot principle applies throughout the company from engineering to production. "A worker on the line has his customer as the man in the next stage of production. He is supposed to make the product to satisfy that man," says Katsurada. The major cause of Dunlop failure,

too polite to say so-but our

Sir Campbell Fraser, the for-

mer Dunlop chairman whose

claims that more money would have been pumped into the European operations if only they had been postable. "Some-

times it is easier for a Japanese company to take a longer term view than a British one," he

Under both Dunlop and SRI

rule, the measures of the last

problem was lousy manage-

Katsurada says, was that top management throughout the company lacked this attitude. The second principle is

good management-labour rela-tions. The Sumitomo Rubber executives admit that labour problems were created by both unions and manage in England in the 1970s, but "management should be blamed more. It is their liability," says Katsurada. The third principle is com-

munications — up and down and laterally, says Katsurada. "There was very poor com-munication in Dunlop UK because people didn't care what other people on their line were doing. Very rarely did workers have common targets."

bankruptcy in late 1983.

tions was the only means of securing exclusive rights to the

Dunlop marque in Europe. In long drawn-out bargain-

ing with the Paris government SRI secured several hundred million francs worth of state

grants and loans to help defray financing costs. Dunlop France

fewer workers.
Where does SRI go from

here? Japan's biggest manufac-

already having ripple effects.

In fairness to the former management of Dualop, however, Sumitomo Rubber can afford to run its company on a very different set of financial lines from companies in the west. With 49 per cent of its shares safely held by Sumitomo Electric and another 15 per cent held by other Sumitomo group companies it is not under strong pressure to boost its earnings and reduce its heavy borrowings. Indeed, Sunitomo Rubber's current five-year plan calls for sales to expand by 50 per cent from the 1985 level to Y300hn, while pretax profits are projected to reach only Y100m, producing pre-tax margins of 3.3 per cent, compared with just 1.8 per cent currently.

Carla Rapoport

1.7.2 2 1.4

convince people—now you get The French operations, tra-support for doing the right ditionally with heaviest over-thing." He adds: "Yokose is manning, have borne the most spruced-up manufacturing as a marketing tool with clients like Jaguar and Austin Rover. manning, have borne the most severe cuts since 1983. SRI Montlucon, local sub-contrac-tors profiting from increased originally had no intention of taking over Dunlop France, which was forced to file for orders last year have started to paint their factory floors to imitate Japanese-style tidiness. Even though European turn-£137,400 golden handshake was SRI was persuaded to step strongly criticised by small in after realising in 1984 that shareholders in 1984, now ownership of the French opera-

over increased about 10 per cent last year, the main short term SRI aim is to hang on to Dunlop's 10 per cent of the European tyre market and only thereafter significantly expand production. After making its the production side, the com-pany is now turning more atten-tion to marketing. It also plans to boost exports to the US and Middle East. Since SRI's avowed aim is to

now produces 16 per cent fewer tyres than at the begin-ning of 1983—with 50 per cent boost productivity at its oldest European plants to half the Japanese level, increased exports could hold the key to turing investment in Europe is the company keeping its Euro-The Fort Duniop management pean is trying to use evidence of levels. pean workforce at present

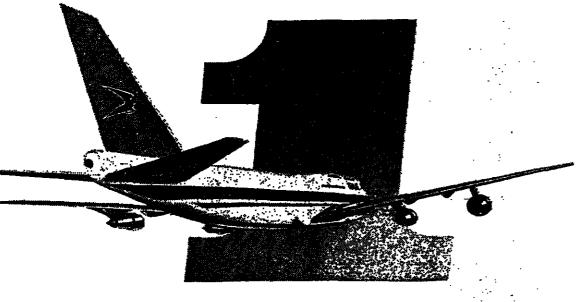
# One-to and from South Afri

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# FINANCIAL TIMES SURVEY

Friday March 7 1986

The siting of London's third international airport at Stansted will form the hub of improved transport communications which should bring the county substantial benefits

# Improved communications

with a growing financial and commercial sector, make up the county's industrial backbone, while in the south heavy ndustry has traditionally been the dominant employer.

Yet, for all the strengths which appear to exist on the the decision by Carreras Roth-surface, Essex is confronted man in 1984 to close its Basilwith challenges unfamiliar in other parts of the Home Coun-

The county has grown rapidly in the past 30 years from a population of just 800,000 in 1951 to over 1.5m. But jobs have not risen to match the increase,

Essex has experienced sub-stantial factory closures, but these have been caused mainly by factors outside its control. A decline in the cigarette industry, for example, forced the decision by Carreras Rothdon plant employing over 1,200.

Much of the key to the county's future lies in its rapidly improving communications. The M11 and M25 are opening up areas which might otherwise have remained un-attractive to potential investors, and have provided a lot of the Though the number of worand have provided a lot of the
kers living in Essex has driving force behind the siting
doubled, more than 130,000 of retail superstores with potenresidents, or 20 per cent of the tial eathment areas beyond the
labour force, travel to work in county. Even the north of the



The repercussions of last mechanics, carpenters nearly June's government decision to make Stansted London's third airport are already starting to be felt throughout the county.

Over 10,000 jobs will be created training schemes in the next females. by the end of the first phase of expansion in 1990, most of them in airport employment Stansted itself.

the airport to within easy com-muting distance of towns such as Basildon and Harlow with their relatively high levels of unemployment.

While these New Towns have suffered, along with other dis-tricts such as Grays Thurrock,



few weeks should change that situation," Mr Grice says.
There are, in addition several initiatives to improve liaison between further education col-Unscathed leges and industry. An industrial liaison committee with industrialists, trade unionists and educationists has been set up by the county council to be unionists and educationists has been set up by the county council to be unionists. tailor training to the needs of Essex industry. Another scheme "pick-up"

has brought together further education colleges throughout the county to market skills to industry. One group is provid-ing translation services for ex-Essex University, based in

The shortage of well-located, well-serviced and landscaped industrial sites is also being tackled. In Grays Thurrock, for example, RTZ has reclaimed large areas of worked out chalk pits close to the M25 and is developing them to provide industrial units, retail ware-

ing to attract companies in elecchemistry. The county council will provide the spine roads, drainage and planting for the park, to be called Springfield



Contrasts abound in Essex. The big new shopping centre in Basildon (left) and (above) the historic centre of Colchester which goes back to Roman times

### Conference

keting its technology park and other advantages of locating in Essex nationally and inter-nationally. It has been direct mailing high-tech companies on the American west coast and financial institutions on the over 20 expressions of interest. It is to hold a conference in might be interested in decentralising from the capital and has embarked on a series of

trade missions to EEC coun-

developers to provide industrial ripe for industrial development and designated as such, says Mr John Flett, chairman of the Essex group of the Institute of

> The price of housing in the county is also seen by industry as a possible disincentive to as a possible disincentive in compaines wanting to move people to Essex from other parts of the country. According to Mr Grice: "Districts are not doing enough to provide key worker housing, particularly for those working in the electronics field," though he recognises that local councils. recognises that local councils have their hands tied finan-

> He points also to the discrepancy between house prices in Essex and those elsewhere in the south-east. A small flat in Basildon, for example, costs about the same as a four-bedroomed house in Milton Keynes.

Any shortage should be alleviated, however, by the number of houses expected to grow by 40,000 in the next five years.

Developers have lodged planning applications to build approaching 10,000 homes, just

### **CONTENTS**

in country and on the

Property: Boost from M25 2

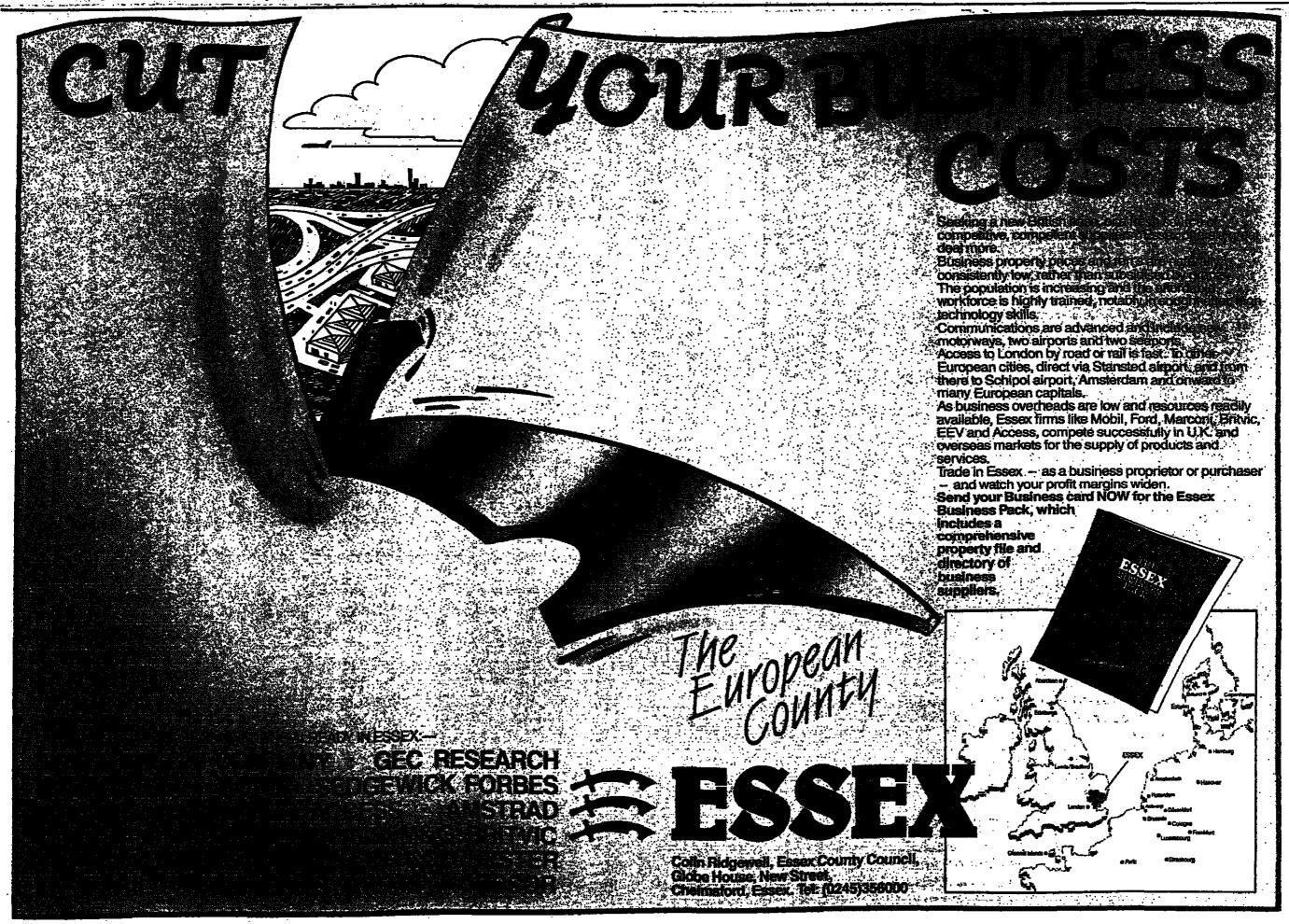
sion provides jobs

£100m scheme for Harwich 3 industry: firm base in cars and electronics

times for arable farming

dred and Tillingham Hall in the south-east of the county.

These plans are likely implications for the Green Belt On the other hand, they are just one of a number of indicators that Essex is gradually being taken more seriously by institutional investors and sion of Stansted. There are pro-posals also for major housing property developers.



### Leisure

RURAL AND historic Essex are rivalling the seaside resorts of Southend and Clacton as tourist and leisure areas. The possibilities are immense. There are more than six million visitors within one hour's travelling of Chelmsford in the centre of the county, and nearly two million passengers using the Harwich ferry services each year.

Many of them merely pass through however, on their way to such destinations as London Cambridge

stopping.
"We are hoping to attract them to stay or visit, on their way into or out of the country," the north-west of the country County Council's tourism officer. The council is hoping to introduce improved signs to

moting itself at travel exhibitions. Last December, the Essex stand at Olympia's World Travel Market was shared by the county council, Colchester tourist association and Stansted Airport. The county council, Southend, Colchester and Tendring exhibited on the Essex stand at January's Holiday 1986 show at Alexandra Palace. Last November it brought out

range conew publicity aterial, including 50,000 copies of 100 Places to Visit, 15,000 copies of Farm and Country Holidays and 15,000

already visit Colchester, ing hard to broaden their head. The multi-purpose pier attracted partly by the town's appeal.

Roman past. While there, however, they are drawn to other den, Southend district council's ice rink. The private sector is ever, they are drawn to other attractions, such as the town's zoo, which last year attracted more than 250,000 visitors, making it the most popular single stand alone tourist site in the county. Colchester's three museums, castle and art gallery also bring in over 200,000 visitors a year;

Nearby is the river Stour and the Dedham Vale, the lush

countryside made famous by the landscape artist, John Constable. As well as being an area rely pass of outstanding natural beauty, being an area of outstanding natural beauty, bedham has a heavy horse centre. More than 40,000 visitions to see its collection of shire horses, harness room, and brewer's drays;

says Ms Lynn Ballard, Essex also has a major concentration of tourist attractions, including Audley End House. A mansion officer. The council is hoping to introduce improved signs to begun in 1603, it was reduced tourist attractions, possibly like those white on brown signs evaluated last year in Kent and Nottinghamshire.

Essex has also been promoting itself at travel exhibits. A maintain the sequence of the possible with the possible will be promoted the possible will be promoted to the promoted tors, the nearby Molebole Wildhole Wildlife Park 35,000 and Hatfield Forest 120,000;

● The small village of Castle Hedingham in the north of the county has an annual influx of 80,000 to visit its castle and the Colne Valley steam railway.

### Broader appeal

Country parks are also proving popular with more than 1m visiting the eight parks owned by Essex County Coun-

With so many destinations for copies of Inns.

Ms Ballard identifies four to choose from, it is perhaps a £1.5m scheme put forward potential tourism "honeypots": hardly surprising that Esex's by developers Brent Walker for more traditional resorts are try-

The port of Harwich Parkeston Quay-Gateway to the Continent

Harwich Parkeston Quay is Europe's fastest developing port, providing regular services to Hook of Holland, Zeebrugge, Esbjerg, Gothenburg, Rotterdam,

Hamburg, Flushing, Kristlansand and Oslo.

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A dramatic reclamation project has started in the Bathside Bay area of the port

which will provide four berths to serve deep-sea container, roll-on/roll-off and

other cargo traffics.

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den, Southend district council's director of development: "It is difficult to see the town comins

back as a resort for long holi-days. It has a very limited amount of accommodation. Most hotels are on the small size, traditional hotels left, with 60

We are aiming instead to attract the short stay visitor and day trippers. Day visitors will be the springboard for obtaining new facilities and attrac-

Day visitors already provide the greatest number of visitors to the town, about 1.25m between April and September and about one-third of South-end's £10m leisure income. The market potential for day trip-pers and short stay holidays is considerable. The completion of the M25 has put an estimated 5m population within a one hour drive of Southend and a possible 15m within two hours.

The council recognised in its tourism strategy, published in 1984, that "there is little positive attraction by the resort, an over reliance on repeat visits and a "captive" business and a "capive" business market, and a failure to attract new visitors. This appears to stem mainly from inadequate facilities and limited market-

ing."

That picture is changing. Since the pier was badly damaged by fire in 1976, the council has spent £1.5m on its refurbish ment. A light weight train will run along a new track, the first train to be officially inaugurated by Princess Anne at the beginning of May.

playing a vital part in rede-

velopment.

The developers will manage the piet and the trains, "Brent Walker has a tremendous incentive to use the pier to its best advantage," says Mr Longden. "It wants to keep it open all the year round, and with the company now involved in the running of the D'Oyle Carte Opera Company, for example, we expect by see a variety of shows and events taking place in the pavilion." The scheme could be completed before the end of this season. could be completed before the end of this season.

### Island marina

The council has also sought the involvement of private enterprise in its scheme for an island marina to the east of the pier. A feasibility study is investigating its economic value. "The buildings and facilities, which would create a very large ratable value for the benefit of Santhard waters are a like the control of the control Southend ratepayers, would be built entirely from finance raised by private enterprise," Mr Longden says. He estimates that as many as 1,000 new jobs could be created.

Along the coast, Old Leigh, which was historically a centre for the cockle industry, is being restored to provide some of the atmosphere of a "working" fishing village. With govern-ment finance, the sea walls have been raised to combat the effects of the Thames Barrier. Southend district council has made it a conservation area and helped to finance the repaving of the high street. Cottages have been brought back into use, grants are available to encourage occupiers to tauthentic building materials.

The district of Tendring in the north east corner of Essex, like Southend, is heavily dependent on tourism revenue. It, to, is having to adapt to changing leisure and holiday

Tendring's main resort. Clacton on Sea has a resident population of 46,000. During the summer months, the number

of people in the town more than doubles to over 100,000. It also attracts some 27,000 day

attracts some 27,000 day trippers.

"We recognise that more people are now taking their main holiday abroad, but there is still a market for the second holiday and abort stay breaks," says Mr Bert Foster, assistant to Tendring district council's chief

executive.

Tendring is working closely with British Rail and the local hotel and guest house associa-tion to promote Clacton as a short break destination. Mr Foster also sees as yet largely unexplored the potential for tracting visitors from the Continent passing through Continent passing through Harwich 15 miles to the north.

Harwich 15 miles to the north.

The council runs a tourist information centre at the port jointly with the East Anglian. Tourist Board. With the British Tourist Authority and Ipswich and Felixstowe. Tendring has been marketing the area nationally as a destination for mini break holidays.

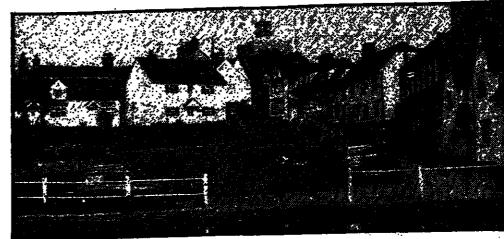
Clacton does not want to forget the market for self-

forget the market for self-catering holidays. Holiday park owners have invested heavily in recent years to provide facilities such as swimming pools and entertainment complexes.

However, the national decline in the popularity of traditional holiday camps led to the closure of the 43-acre Buttins Holiday Camp on Clacton's seafront. In its heyday, the camp catered for some 6,200 holidaymakers stay-ing in chalets. It also attracted large numbers of day visitors.
In 1984, the place was renamed Atlas Park and reoper

largely intact as a theme park. After trading for one year, the park closed and the site is now being marketed for develop-ment. "We expect a developer or consortium to provide a leisure content on at least 50 per cent of the site area and compatible uses on the re-mainder," Mr Foster says. A holiday village, for example, might make the whole develop-

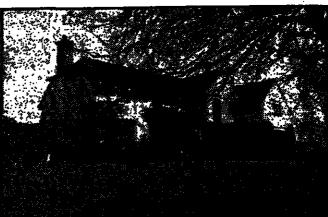
ment more feasible, he suggests. Tendring is also marketing Clacton'sy seafront pavilion for development. It is being offered resident as "an opportunity to recreate During history by refurbishment as a number leisure complex."

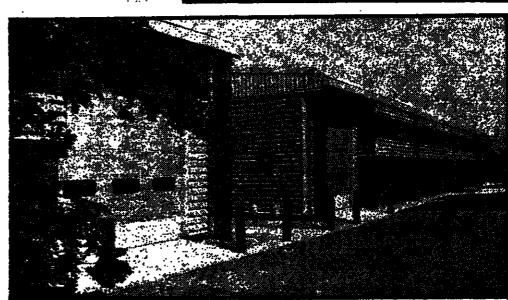


The picturesque village of Finchingfield is popular with tourists.

Right: Kerseys, Boxted, Colchester, one of the country houses being sold by Savills.

Below: industrial/ distribution units on the South Industrial Area just minutes away from the M25 London Orbital Motorway.





# Boost from M25 link expected

### **Property**

THE PROPERTY market in Essex has yet to feel the full ripple effects from the M25 and Mll motorways and other road According to one estate agent, property companies and institutional investors still show a reluctance to look east of

Such inertia applies particu- sq ft. larly with industrial property. Prices of land at Grays Thurrock on the banks of the s, for example, stand at £80,000 to £100,000 per acre, compared with £350,000 in the corridor west of London. According to Mr Peter Chaston of Chelmsford-based agents Kemsley, Whiteley and Ferris: "Grays hasn't happened yet, but it will. With direct access-onto the M25, it is one of the areas in the county with the greatest potential."

The reclamation of derelict land there should provide some of the impetus to the industrial/commercial property sector. Marks & Spencer has aiready taken a site for a 284,000 sq ft distribution warehouse on the Tunnel Estate, land used until 1976 for the largest cement works in Europe.

RTZ, which ceased cement production in Essex, owns about 400 acres in the area. It has already spent £3.5m on improvements to the 150-acre Tunnel Estate and is asking "very much in excess of £150,000" for serviced sites for

with an area zoned also for along the A12 corridor from industrial use, is connected to Chelmsford to Colchester. The main line railway and has As in the industrial property its own private sidings. It is sector, the Stansfed developals of the contract o

Another area highlighted by and demand, though this has Mr Chaston for better than average growth in the industrial

Lower down the housing marranging from 195 sq ft to 2,000

Braintree District Council has already allocated 20 acres for an extension to the Eastways Industrial Estate in Witham and is hoping to release a further 20 acres for industrial development at the southern end of the town.
"The emphasis will be on

building up opportunities along the main investment corridors of the A120 and the A12, " says Mr Roger Barratt, the council's deputy planning officer. With the aid of a derelict land grant, the council is reclaiming a 12-acre site, which will open up a further 60 acres of land leading down to the Braintree. ing down to the Braintree

### Partnership

The smaller site will be sold back to the previous owners who will then market and develop it. The larger site may be prepared in partnership with

private developers. Braintree, one of the few Essex councils to come out in favour of the Stansted develop-ment at the public inquiry, expects to benefit from the "indirect" employment opportunities created, and is receivtunities created, and is receiving a growing number of enquiries from transport and haulage companies without wanting to set up distribution depots in the district.

However, the full impact of Stansted on the property market will not be apparent for another five years, says Mr Chaston. Present rents for

ket will not be apparent for another five years, says Mr Chaston. Present rents for industrial units in Braintree range from £1.50 to £2 per sq ft, while in Harlow, another area well-positioned to benefit from the airport development, rents can reach £3.75 per sq ft for the second for the second ft.

units of 10,000 sq ft.
The area in and around
Harwich has not seen the explosiarwich has not seen the exposion in rents that people there expected, says Mr Chaston, with growth in the industrial property market more apparent at

Felixstowe.
In the housing market, the impact of improvements in road and rail communications has been more evident, particularly to the west of the county. Mr John Gibson of Savilis draws a line north south through Chelmsford. To the west of that line, people drive to work in very prosperous west of that line, people drive to work in very prosperous small industries. Five houses have made £500,000 or more and he expects the film barrier to be

broken fairly soon. To the east, only three properties have made £300,000, with none "The most significant change will be the Cheimsford by-pass. The purchasing power to the west of the town will spill over passes and such towns as the City prices of more expen-Witham along the A12 proving sive houses will remain high." increasingly popular as sites for new housing.

average grown an one industrial actor is witham, on the A12 ket, Mr Gibson has found less from 1,600 last year to over grown in market will be helped by the building of the Chelmsford east and west of the line. A house with up to 10 acres to by-pass to the south, His firm three bedroomed cottage in the east of Chelmsford will less in the east of Chelmsford will less to the south. His firm three bedroomed cottage in the east of Chelmsford will less to the south as good and the country accordance and a good cottage in the east of Chelmsford will less to the south. Ongar, for example, recently fetched £120,000, whereas in Witham, an equivalent town to

the east, prices are around The greatest demand for new housing is along the M11 and the London to Cambridge railway line running almost parallel There are major proposals for housing develop-ments between Harlow and the Mil and at Bishop's Stortford, Hertfordshire, near the Essex

border, for instance.

Meanwhile, back in Thurrock, a final decision is expected in the next two or three months on an outline planning application for a major housing development at Chafford Hundred.

The proposal by Blue Circle The proposal by Bine Circle Developments, RTZ and White-hall Securities is for 5,000 new hams securities is an a,000 new homes for 15,060 people, plus schools and shops set around disused chalkpits, These are to be landscaped as recreational areas with the remains of the

pit forming a giant lake. On March 18, a public inquiry starts into another major hous-ing development, this time on Green Belt, five miles away at Tillingham Hall. Seen by many as a test case of Green Belt policy, the £450m Tillingham development might jeopar-dise the go-ahead for the Chafford Hundred scheme.

Housing demand is also growing along the A12 from London, with infill land between by

itansted

However, the country house market is the sector of greatest tural land market. During 1985, demand and least supply, says values fell by between 15 and Mr Gibson. The number of 30 per cent, mainly due to the applicants for such properties uncertainty of future grain fetch between £150,000 and residence and were situated £250,000. "Above £150,000 the close to the commuter belt, person buying is no longer a possibly with good quality land. salary earner but is a profit "The best way to buy a good earner. While profits are being house is often buy a farm." made in Essex industry and in says one agent.

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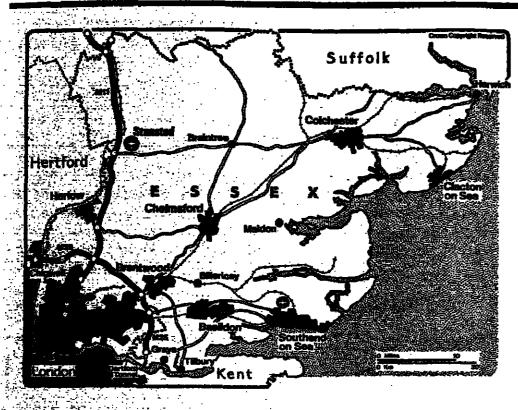
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# Expansion brings job opportunities

### Stansted

BARELY SIX months have sed since the Government's passes since the government's decision to develop Stansted as London's third sirport, yet the effects of that decision are already being fest. Since the June announcement, British Airports Authority's personnel department. Airports Authority's personnel department reports being flooded with job inquiries, white planning applications have been lodged for housing developments in the western part of the county, and over the border in Hertfordshire.

Yet any suggestion that the area around the airport will eventually be faced with a massive influx of housing and industry seems largely unfounded.

dustry seems largely unfounded.
It was a condition of the consent to expand the airport that any "airport related" industry should be sited on the airport. BAA increased its land holding from 366 ha to 957 ha to accommo-

soo ha to 931 ha to accommodate these activities. Government permission would be required to increase the annual flow of passengers from 15m to 25m, when extra land might be required. Although BAA: has planning permission for 15m possengers per annum passengers per annum passengers. passengers per annum parlia-mentary approval will be required to go beyond 7-8mppa.

The existing terminal handles O.5mppa. BAA expects traffic to build up to about Imppa by 1990, by which time the new terminal building should be nearing completion, giving Stansted the capacity to handle

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Smppa.

BAA has said that it is trying BAA has said that it is trying to avoid many of the mistakes made at Gatwick by, for example, screening off the car park and providing 18,500 long-term car parking spaces. Private operators will as a result not be tempted to set up car parking in the airport's vicinity, it is honed.

it is hoped.

The local Uttlesford District Council is doing its part to minimise disturbance. It is minimise disturbance. It is pressing for noise controls and for early definition of air routes to tell local people in the vicinity how much they are likely to be affected by flight paths and stacking lanes.

According in Mr Christopher Knight, Utilestord's director of planning: "We have had plenty of inquiries about land for industry and housing and have made it clear that we will not

dustry and housing and have made it clear that we will not be providing any additional land for such development."

It is opposing an application for 100 acres of gravel excavation at Stebbing, for, example. It has also received more "reasonable" inquiries. Unique Delivies for instinct parts. gate Dairies, for instance, wants to know where there is likely to be residential expansion so that it can plan the relocation of its dairy. "These are the sort of spin off effects which we realise will have to come and which will have to be sited to exemplative advantage." to everybody's advantage," says Mr Knight.

Opposition However, he emphasises that any major application for resi-dential expansion will be opposed at least until the forth-coming Essex structure plan has been finalised and con-

nas been mansed and confirmed, probably not until the end of next year.

Uttlesford will also oppose the expansion of Stansted beyond 15 mppa. According to Mr Knight, the Department of the Englishment of the Englishment will explain the standard will be a standard will be a standard will be a standard will be s the Environment will publish in the next few months a "safeguard" area of land close to the airport. This would enable Stansted to expand from 15 mppa to 25 mppa. "But the land take at Stansted is already much greater per passenger than at either Gat-wick or Heathrow. Any expan-sion beyond 15 mppa should go to a 5th terminal at Heathrow." The initial phase of expansion at Stansted will create sub-

sion at Stansted will create sub-stantial job opportunities, with the airport's working popula-tion, scheduled to grow from 1,640 at present to 11,000 when Stansted is handling 7-8m passengers per annum. But BAA is quick to point out that most of the vacancies could be most of the vacancies could be filled by the growing number of unemployed in towns as far south as Basildon which, with Esser's fast road links, are

Development timetable Read construction from the

Mil: planned to start spring, completion by end of 1886 Work on terminals area and areas for associated industries: starting early 1987, completion late 1990

Terminal buildings: expected to be operational by early

BAA is working with local schools to prepare children for the sorts of vacancies that might arise, while Stansted has one of the largest Youth Training Schemes in the county. BAA sits on a tourism and travel advisory committee at Braintree College and some of the college's students will be given work experience at

Stansted.

With many of the jobs expected to be filled from within expected to be filled from within the county, it is estimated that initially an additional 4,000 houses only will be required, though this would double should the airport grow to handle 15 mppa. Much of the additional housing could be

tree 25 minutes along the A120. BAA is building a link road from Birchanger Roundabout on the A120 straight into the airport. The county council would like to see an extension of this road eastwards, running para-ilel with the A120 and rejoining it near Dunmow, to make Braintree more accessible.

The county council has also indicated the need for an addi-

tional 25 hectares in Braintree district for industrial/commercial development. In Harlow, two areas of industrial land are vacant. The Commission for New Towns is

marketing a 50-acre site to the west of the town as a busines west of the flown as a business park. Another 42-acre site is scheduled for general industry.

BAA is optimistic that traffic using Stansted will grow. Mr Orrin says that the major growth in passenger traffic will be from the charter leisure market, and with land made available for transit sheds, cargo traffic is also expected to be a major element of the air-port's business.

initially an additional 4,000 houses only will be required, scheduled services out of though this would double stansted to parts of Europe; should the airport grow to handle 15 mppa. Much of the additional housing could be additional housing could be additional housing could be spread, around the towns within commuting distance of Stansted.

"The idea that there will be a major new town on Stansted's good road and rail links into



Stansfed Airport, soon to become London's third inter-national airport

doorstep is quite wrong," says Mr Richard Orrin, traffic and commercial manager at the air-

"Stansted related" housing planning applications being pro-

Countryside Properties is seeking permission for a £150m development in Harlow to include 3,500 homes, shopping facilities, a health centre, school and public park. Harlow District Council supports the application in minimal Province. in principal. Epping Forest, where 98 per cent of the devewould take place, is thought likely to reject it at a meeting on March 4.

 An application for 5,000 houses to the north-west of Bishop's Stortford in East Herts District may be objected to on grounds of scale, but a 4,000 house ex-pansion might be approved over

 A 150-house development at Newport in Uttlesford District, is also likely to be opposed. have been pinpointed by Essex County Council as preferred locations for any industrial and commercial development that might seek to benefit from being close to an international airport. The county emphasises, however that as much secondary indus-trial development as possible should be accommodated within

the airport's perimeter. According to Mr Brian Perkins of the county council: "Harlow and Braintree are the largest settlements relatively close to the airport and they are also districts which could do with an injection of industry to combat high levels of unemploy-

Harlow is 15 minutes drive

popularity

rine smaller southend Air-port also expects to benefit from the Stansted development. It might, for example, attract traffic which Stansted, when fully developed, finds more of a nuisance than an asset, in particular short take off air-

particular short take off aircraft.

The operation of Southend Airport passed to British Airports International in March last year under a 10-year management agreement with Southend Borough Council BAI, owned Jointly by the British Airports Authority and International Aeradio, has embarked on a development plan to modernise facilities and enable the airport to capitalise on the modernise factifies and enable the airport to capitalise on the potential for traffic growth. Last year the airport handled 196,000 passengers, an increase of more than 50 per cent on 1984

Southend has benefited, in particular, from the EEC directive of 1983 deregulating services between member states. The Danish Maersk Air was the first airline to capital-ise, beginning a scheduled service between Southend and Billund in Denmark in Novem-

Investment plans include £695,000 on terminal redevelopment. Plans include the possi bility of setting up a frequent shuttle bus service between the terminal building and Southend Victoria railway. Another pro-posal is the siting of a railway platform on the edge of the airfield.

Southend also plans to expand its freight facilities. Freight tonnage

# £100m improvements for Harwich

### Ports and Communications

THE ESSEX ports of Harwich and Tilbury have a vital contribution to make to the county's prosperity, particularly as it ks to increase trade with attract inward investment.

Proximity to Harwich—and through the port to Holland— was one of the main reasons for Dutch subsidiary companies be revamped. Harwich is the Philips Business Systems and DAF Trucks moving to Colin the UK.

coast, is particularly adept at handling short sea freight and passenger traffic. Tilbury, lying some distance up the Thames estuary, has concentrated on deep sea container business and the handling of specialist bulk

When the Chelmsford bypass is completed in August 1986, dual carriageways will link Har-wich to the M25 and London, and to Ipswich, the Midlands and the North via the A45. and the North via the A45.

Harvich is served also by daily Freightliner trains from London and major industrial centres throughout the UK.
Daily "company" trains carry cantainers of motor car parts destined for plants on the Continent. From Zeebrugge, there tinent. From Zeehrugge, there is a similar system of container

Both ports are now seeking to demand. Both ports are now seeking to demand.

capitalise on these transport
links. At Harwich Parkeston,
Sealink has embarked on a major programme of capital inmethod major programme of capital inmethod major programme of capital inmethod major programme of capital inmight want to use the new facilities," says Mr Crawford.

Colin Crawford, Sealink's port "There is a lot of interest,
manager: "Harwich is the company's biggest port and is also
any firm commitment."

Investment is in two phases. £7.5m is being spent on improved Ro-Ro facilities in the existing port area, including quays, ramps and standage reas. Two new berths, will each be capable of handling between 100,000 and 200,000 TEVs (20 ton equivalent units) each year. They will have far greater capa-city than the two existing Ro-Ro

These are assigned, at present mainly to passenger car ferries with a smaller element of freight, though they too are to

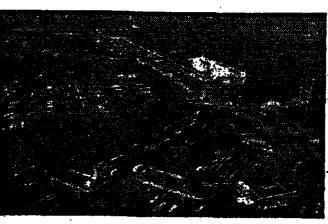
However, 115 ha of tidal mud Harwich, on the North Sea flats recent reclaimed from the sea is to receive the lion's share

Essex County Council has already spent £2.3m on reclaiming Bathside Bay, 1.6 km at its widest point. The council saw the development as one way of communications by dock area in Harwich town itroad and rail are proving cru-self. The peninsula on which cial to their development. Til-Harwich is built is now combury is a short drive from the M25 and the entrance to the Dartford Tunnel, and is close to the markets of London.

Harwich is built is now completely developed while the heavy and ever-increasing traffic destined for the dock area to the markets of London. destined for the dock area across the bay from Parkestone Quay is forced through the narrow streets of the old town

In top 100

and both short sea and deep sea vessels with a maximum 9 is a similar system of contentions trains providing connections metre draught. The investment is to be phased over a number of years, depending on customer



Harwich, where Sealink is improving the four container/Ro-Ro berths to lift the port well up the league of container ports

The development should lift authority bought three more Harwich well up the league of heavy duty tractor units at a container ports. At present it cost of £120,000, partly to serve container ports. At present it cost of £120,000, partly to serve just creeps into the world top Tilbury's growing trade in deep hundred. Suffolk's Felixstowe, just across the Stour estuary, is signed especially for handling timber and plywood cargoes. Since the 1960s, the volume of freight handled by Tilbury has increased from 1m tonnes to be had, particularly in general traffic in Table 1960s, the volume of freight handled by Tilbury has increased from 1m tonnes to over 8m tonnes. the biggest container port in the UK, and 20th in the world. ness to be had, particularly in general traffic in Ro-Ro and con-

To help reconp its investment, were imported through the Sealink will sell leasehold 70-90 acres of Bathside Bay for industrial development. It is promoting a Bill this parliamentary it is now handling 1.3m tonnes

specialist terminals at the port since the 1960s. "We are concentrating instead on a on-tinued programme of updating and paper trade has also equipment," says Mr Geoffrey affected Tilbury, though it con-

sea Ro-Ro cargoes. It also took delivery of three fork lift trucks for £56,000 with sections designed especially for handling

in the UK after Dover and Felixtainers, both short sea and deep sea. There has been a tremen-dous growth in this estuary, more than in the general run of declined, however. In 1968, for

session to give the company full power to reclaim and develop the whole bay.

Tilbury has no plans to increase the number of berths.

The PLA has invested £70m in operated by Thamesgrain Elements.

Ennals, secretary to the Port of tinues to be a major centre, London with Essex and Kent London Authority.

Last year, for example, the The arrival last year of a Ro-Ro hydrofoli and hovercraft.

America and Canada provided some encouragement. The expected annual throughput of 120,000 tonnes will be split between Tilbury's three forest product terminals.

Other services to Tilbury inaugurated last year included: • A deep sea container service betwee northern Europe, South East Asia and China to use the dock's "common-user" container terminal. There are now three fully cellular sailings a month between Tilbury and

China: A cross channel Ro-Ro freight service to Zeebrugge, Searoads l'erries expects to introduce a second vessel onto the route this month,

This is significant for Tilbury. Thirty miles from the mouth of the Thames, it was generally thought too far up river to benefit from short see business. Searoads negotiated exclusive use of the PLA's riverside

Ko-Ro terminal.

It also has a working agreement which, says a company director, "particularly accepts the needs of the automotive industry in the movement of vehicle parts. But we chose the Tilbury/Zeebrugge route mainly because of the direct link via the M25 to the national motor-way network."

There is optimism also for the future of passenger traffic, with the PLA last year completing a £190,000 modernisation of Tilbury's riverside passenger terminal. On average, there are nearly 100 passenger ship calls a year at Tilbury. "The whole PLA modernisation programme is aimed at suption programme is aimed at sup-porting the marketing efforts of cruise liner operators using London, and encourage them to make even greater use of the terminal in future," says Mr

The authority has had enquiries also for the use of the landing stage both for commuter and tourist services simed at linking the centre of

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### Industry

FOR LONG one of London's poor relations, Essex has been helped by better communications to become established more firmly on the industrial

Over recent years as costs west of London have risen, manufacturing firms have been attracted by relatively low land attracted by relatively two many prices and factory rentals and a workforce with a broad base of skills. At the same time, they are able to retain easy access to markets.

Manufacturing has remained more important to the economy of Essex than to that of most other counties in the south east, other counties in the south east, with over 25 per cent of the 530,000 workforce employed in industry or commerce. Engineering is particularly strong, with electrical and electronic engineering employing 20 per cent of those working in manufacturing industry, and facturing industry, and mechanical engineering includ-ing motors 16 per cent,

Other industries well repre-Other industries well represented are paper, printing and publishing, food and drink, vehicles and chemicals. The county has a low proportion of the declining industries, such as metal manufacture, shipbuilding and textiles.

The county has had setbacks nevertheless. Both Harwich and Tilbury put in unsuccessful bids for freeport status, arguing that the absence of customs

that the absence of customs employees of these and other and various other charges groups have left to establish would help to attract overseas their own small to medium companies. including the sized high tech businesses. Japanese, to establish plants Ford, which is shedding the stablish plants workers in parts of its operafor the assembly of high-value products, such as circuit boards. Other ports in the south east, including Felixstowe, however, were similarly excluded.

The absence of regional incentives in the county has also tended to deter overseas investors from setting up in Essex, says Mr Colin Ridgewell, Essex County Council's employ-ment promotion officer. The council is, however, having dis-cussions with JETRO (the Japanese External Trade Organisation) to promote the county as a location for a European base.

### £45m park

Companies moving to Essex will find a growing range of industrial sites. Large areas of land adjacent to the M25 are being developed for commercial and industrial estates and districts such as Basildon, now only five minutes from the UK motorway network are also the Sierra range, introduced in benefiting. At Wickford, for 1982, meant the expenditure of business and community park diesel engine fitted to Escorts,

Further north, Braintree district has plans for major extensions of its industrial estates. Conveniently situated alonb the A12 and A120 between London and the east coast ports of Harwich, Felixstowe and Ipswich it is involved in partnership schemes with private industry for industrial

High specification industrial sites with the sort of land-scaping, servicing and other ham recently hired an addi-facilities required by modern tional 350 operators, the first industry are generally in short time since 1980 that the com-



Robots in use at the Ford assembly plant at Dagenham

supply, particularly in Chelms pany has hired extra hourly metalworking welding fabrica-ford and Colchester. The revised paid employment at the plant. flon, heat exchanger work county structure plan will be One of the black spots on the Contracted out to local engineersupply, particularly in Chelms pany has hired extra hourly metalworking, welding fabrication and Colchester. The revised pain employment at the plant. The formation, heat exchanger work country structure plan will be allocating more land for such Dagenham horizon was Ford's ing companies each year.

Dagenham horizon was Ford's ing companies each year.

According to Mr Michael structure plan will be announcement in June last limproved road communicate. Blackburn, Access chief executives attract companies that might car wheels in Britain by the more small to medium sized criteria. The former liftord otherwise go to the M4 corridor, and of 1987, with a loss of 200 high technology companies to Films processing and administrate country are broad, including in the company respectively. Systems, now employing 24 in provided us with suitable arcommodations.

for example.

The skills available in the the company recounty are broad, including in inferred its presence last year the 120,000 who regularly committee in Essential Essent in Essent largest mute to London a reservoir of control in Essent the administration of the control in Essent i managerial experience.

With companies such as Marconi, STC and Ford based in the county, electronics expertise is high and some employees of these and other workers in parts of its operation, is also seen as a potential source of skilled manpower. Ford is still by far the biggest employer in Essex, with 25,462 employed at 16 sites throughout the county. The largest concen-

the Ford estate covers almost 1.7 sq miles. There are six plants employing over 18,000 people The factory, built in the 1930s to house a foundry, rolling mill, machine shop and engine assembly line as well as car, truck and tractor assembly lines, is now turned over entirely to engine production.

The other plants on the estate include a body plant, assembly plant, a trim manufacturing area and a KD (knocked down)

tration is at Dagenham, where

export packing plant. The company has invested heavily at Dagenham in recent years. New metal stamping and body construction facilities for the Sierra range, introduced in £210m, while new equipment for the manufacture of the 1.6

In 1984 a new, fully automated paint system was brought into commission at a cost of £30m, while the company last year announced its intention to provide new facilities for the production of a "third generation" lean-burn petrol engine, at a cost of £157m. These engines, to be introduced in 1987, will

be supplied to Ford assembly plants abroad. Because of an increase in the

That's one of

the best things

tive headquarters of its cruck operations, the sole European source of radiators for Ford and the single largest tractor manu-facturing plant outside North

### Tractors

It announced that it is to scale down its US tractor manufacturing operations and conagricultural production Basildon, with an additional investment of £5m, and a possible addition of 100 jobs.

It has also concentrated its European electrical and electronics operations at a purpose-built headquarters and engineering liason office in the town, with more than £1m spent on new test facilities.

Ford's other two Essex plants are at Warley and Dunton. This Easter, the company will com-mission a new £4.5m computer data centre at Warley, the administrative centre of Ford of Britain and Ford of Europe Inc. employing a total of 1,700.

Its research and engineering centre at Dunton employs over 2,000 staff, where it this mouth opened an extension to emission test facilities. However, Ford of Europe has told its research and development staff in Essex and West Germany that one-quarter of their jobs will have to go by

which it is hoped will provide Fiestas Orions and Escort vans
4,000 new jobs in the next cost £220m. since the 1970s. Then it employed 1,800 but it now has 650 staff, producing mainly petrol, gas, oils and diesel for

transport and bitumen. The reduction in workforce has been due mainly to a fall in demand, with volumes produced dropping from 10m tonnes to 4.5m tonnes last year. Another reason was the rationalisation of its tankerage and investment in new control rooms, as well as improvements to jetties.

It is, nevertheless, a major contributor to the local economy, with £2m worth of.

London, have been a major factor in tempting companies in the financial sector out to

Southend-based Access. The Joint Credit Card Company, employs over 4,000 in the town, and recently decided to set up a second operations centre, in Basildon, to help handle future

business growth.

JCCC, which provides credit card services for some of the major clearing banks, now has over 8m cardholders. The busi-ness generates over 1m sales and payment vouchers every day, and 43,000 telephone authorisation calls from retailers.
When the company was

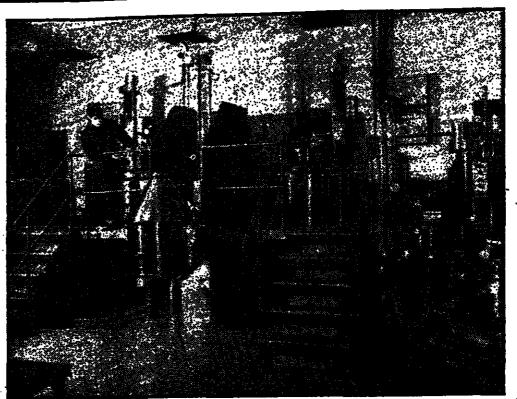
formed in 1972, several loca-tions were considered, includ-ing' Brighton and Mitton Keynes, But only Southend's telephone exchange had the capacity to handle the demands of the Access operation. The town was close to London with out high London rents, and had

readily available accommoda-tion Besildon is close to both Southend and London with excellent road and rail links between all three points. It call-also provide the telecommunications and postal facilities which are the cornerstone of .Access business."

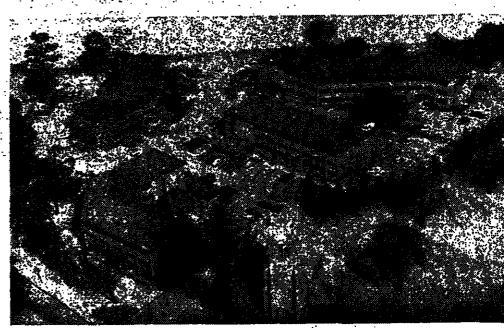
young resourceful professionals in Essex," says Mr Andrew Crane, one of the company's executives. They have now been joined by Marconi's com-Availability of staff and good communications have also been a factor in attracting insurance Selven's products include companies to set up in Colches ter. Royal London Mutual Inaccounts packages, manufactur-ing software and shop floor data collection systems. "For the first five years, we concentrated our activities in Essex, London surance started moving out of London in 1972, moving all but its stock exchange investment department into a purpose built head office in 1982. Two thirds of the staff of over

and the eastern Home Counties, mid-Essex having a large base of potential clients within one 700 have been recruited locally. "The turnover of staff has been low and we've attracted school-Larger clients gained during leavers, married women and the qualified specialists," said Mr Michael Pickard, the company's chief general manager. that time included Essex-based Town and Country Building Society and Hambro Legal Pro-

tection. The company's success has enabled it to expand into The company also planned to the Midlands and the Thames Valley. set up a data link between underwriters in its own London Improving communications, particularly with the City of underwriting room and Col-



Setting up for production of sterile medical products by May & Baker at Dagenham



A model of part of the Warley Hill Business Park, which is being built by

# Uncertain future for arable farming

### Agriculture

hour's travelling time."

with an, was formed six years ago by two former, systems managers at Ford, "possibly the most common, source of

ESSEX'S FARMS, with their the most profitable in the country. The cereal surplus in Europe, US proposals to subsidise grain exports and the shrinking world market are nevertheless prompting the country's farmers, as elsewhere, to ponder the future of arable farming.

Various avenues are being explored. One suggestion is to increase the use of land for public recreation, such as country parks and picnicking. Interest is also being expressed in various alternative crops, including lupins, to satisfy EEC demand for oll seeds. Research into the use of grain by indus-try for the production of starch, alcohol and ethanol, as a ement for lead in petrol could open up other possibili-

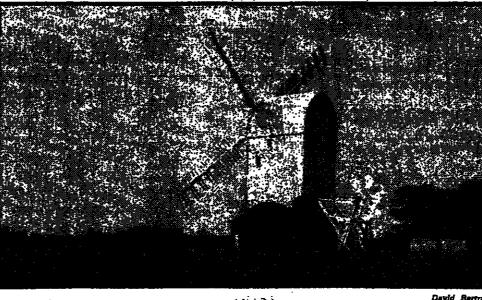
> It is recognised that such developments are longtern. In the immediate future EEC farmers are stuck with the problem of over production. The UK produces an annual grain surplus of over 8m tonnes, with Essex farmers overproducing by 100,000 tonnes.

> "However, it is a myth that the Common Agricultural Policy (CAP) is supporting farm incomes at profigate levels," says Mr Michael Murphy of the Agricultural Economics Unit at Cambridge University, and the author of the Report on Farm-ing in the Eastern Counties. Farmers are on a treadmill; rising costs of production and falling real farm gate prices leave them no better off." For the harvest year of 1985, farmers' incomes in Essex will have halved, he estimates, having slowly declined, in real terms over the past 15 years, though in North Essex in 1984 hey increased by five per cent.

### Restraint

ing to produce goods which the swing away from grass and nobody wants."

According to Mr Philip Shaw, Whereas before the war, for



Windmill at Aythorpe Roding amid typical Essex farmland the National Farmers Union example, there were over 1,000 further major investment in county secretary: "Our members dairy farmers, there are now plant or machinery. have reluctantly accepted the some 130 dairy herds left in The increased size of Essex some 130 dairy herds left in the county. Only one farmer is idea of some form of supply management, regulated by

totally committed to dairying.

There has been much invest-"Another option might be to cut prices, but farmers tend to react by increasing production ment in machinery and buildings for wheat production, while the 3,600 holdings in the to offset the fall in prices. There would have to be a 20 per cent fall in price before it would have a real impact. Such a county are now generally larger than elsewhere in the country, and this tends to increase their productivity still reduction would send a lot of farms out of business.

"The raising of quality standards would not have much further. The increase in size has been due partly to investments by financial institutions, and pension funds in particular, of an impact in Essex because farmers here are already proand partly to farmers buying neighbouring farms when they

ducing high quality grain, though it would help reduce the surplus in the UK as a whole." Reluctance to accept any form come up for sale, without having to contemplate any of restraint is perhaps under standable for a county where arable farming has been the mainstay for many centures. In the Napoleonic wars some 80,000 ha were drilled to wheat.

Community-wide licensing

Between 1976 and 1984, the area of land made over to winter

Restraint

Mr Murphy would like to see the EEC give more serious continuous ideration to a "set aside" type now occupies 45 per cent of the programme, a statutory restraint on land under wheat cultivation. Such a programme should seek to reduce the 165,000 ha used for cereals in Those living in the south of the A12.

165,000 ha used for cereals in Those living in the south of the A12.

165,000 ha used for cereals in Those living in the south of the A12.

165,000 ha used for cereals in Those living in the south speak of the north as being "the Land of Goslien," where the boulder cereals. He could possibly be given in the order of £200 per is Grade 1, 2 or 3A, producing the highest average wheat yields farm income lost.

"Provided it was administered principle of world for Essex farmers, and difficulties of the present system of storage or exports." says Mr Murphy. "It would also prevent further ungressary allocation of the swing away from grass and livestock.

The increased size of Essex farms is reflected in the ratio of farmers to farmworkers. There are now 2,500 full-time farmers in the county, less than half the number before the war. Eighty per cent are owner occupiers, almost a reversal of the pre-war situation. There are just over 6,000 farmworkers, giving a ratio of 1:2.5, compared with a national

compared with a national average of 1:1. "An Essex farmer tends to elsewhere in the country because agriculture is more highly developed and, hisbe more of a businessman than county's proximity to London,"

says Mr Clive Whitworth, the Ministry of Agriculture, Food Fisheries' *s*urveyor

Essex's proximity to a large urban population, with the increasing popularity of "pick-your-own," has also promoted the growth in soft fruit crops, with 760 ha under cultivation for strawberries, blackcurrents, raspberries and gooseberries. Only Kent, of the eastern counties, has a greater area under soft fruit cultivation.

Essex also has a substantial area under glass, with 189 ha of glasshouse crops, 7 ha more than Humberside and almost 20 more than West Sussex, the counties with large areas devoted to glasshouse cultiva-tion. Tomatoes and cucumbers & have traditionally been the main crop, with one-third of the crop, with one-third of the country's cucumbers grown in the Lea Valley. Of increasing importance recently have been flowers and bedding plants, again consistent with the county's proximity to London.

That closeness is now bringing substantial pressure on land

That closeness is now bringing substantial pressure on land for development, says Mr Whitworth. At Chafford Hundred, near Basildon, there is a proposal for 27 ha of housing, though only a small proportion of that is agricultural land, the remainder being worked out chaik pits.

Essex County Council, along with MAFF and the NFU will be among the objectors at a public inquiry on March 18 into proposals for ,100 dwellings on 308 acres of Grade 3 land at Millingham Hall The minister. Tillingham Hall. The ministry is also objecting to development proposals for 400 acres of principally agricultural land at Harlow, which, says Mr Whitworth is likely to be good quality land.

about Essex. sk anyone who's based in Essex. With the M25 completion, Stansted airport growing bigger by the day, and

excellent shipping facilities through the major ports of Tilbury and Harwich, there really are very few places which can compete when it comes to communications. Which is one of the reasons why Access, Britain's leading credit card, is based in

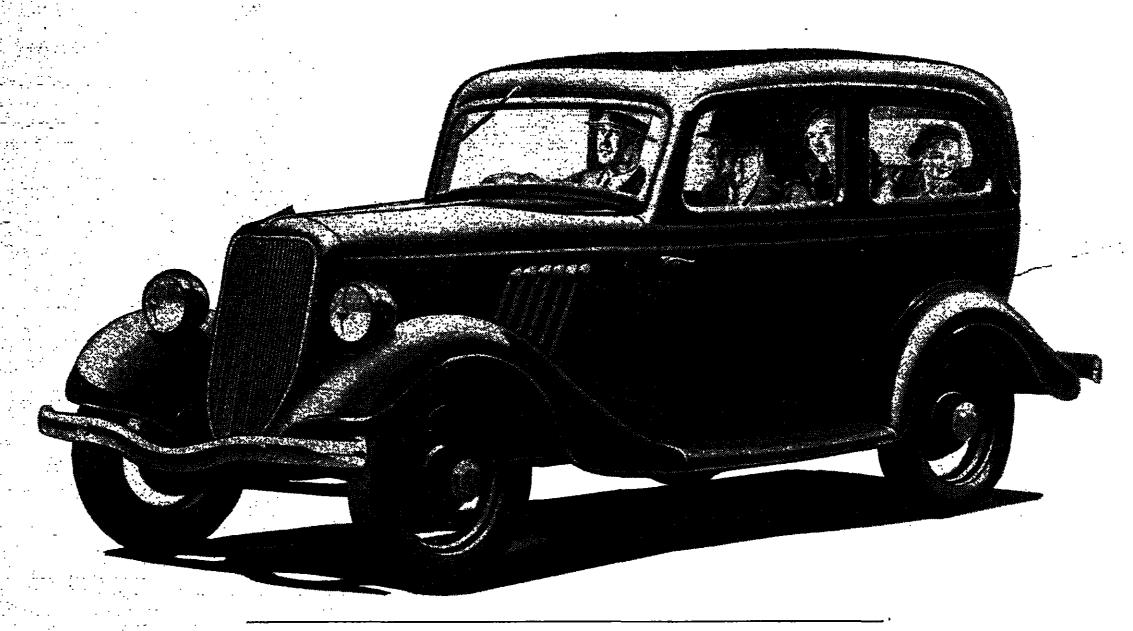
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# MADE IN ESSEX.

In 1924 Ford bought 294 acres of land at Dagenham for £150,000 and a brand new factory began operations in October, 1931.

It was during the depths of the great depression — not a propitious time to start mass production of motor cars.

In fact, Ford sold only five vehicles in the first three months.

Happily though, by 1935 the Dagenham factory was humming away producing the first (and only) £100 saloon car. The Popular, a version of the 8hp Model Y.

During the war Dagenham built 360,000 fighting vehicles, from mobile canteens to Bren Gun carriers. It also gave tremendous support to British agriculture by producing 95% of all the wartime tractors made in Britain.

In the years that followed many famous family cars came off the Dagenham production line. Cars like the V8 Pilot, the Anglia, the legendary Cortina, Zephyrs and Zodiacs, the Fiesta and the Sierra.

As for Ford's tractor operation, this is now in Basildon and has become the biggest Ford tractor production centre in the world – exporting 80% of its output.

But few people are aware of the investment behind Ford's leadership in the UK market.

Since 1979 Ford of Britain has invested over £1,600m in manufacturing in the UK. And around £600m of this has gone into Dagenham.

About another £370m a year is being spent on product development in Essex.

So it's not surprising that in 1985 alone Dagenham produced over 370,000 engines and almost 170,000 cars – something Essex can be proud of.

Just as Ford is proud to have made a major contribution to the county's prosperity.



# Trouble brews over Bentalls store plan

PLANS BY Norwich Union and other trust beneficiaries. many Bentalls, the department store of whom are shareholders in their own right. He believes, group, for a £110m redevelopgroup, for a £110m redevelop-ment on the site of the and their nine children, it retailer's Kingston upon might be possible to gather Thames site are set to bring enough shareholder support to to a head a smouldering row wipe out the inbuilt majority between the board and a block on which the board is counting. of Bentall family shareholders.

redevelopment deal, The redevelopment deal, which will provide around 600,000 sq ft of retailing space on the Kingston site, was announced last week. With around 57 per cent of the quoted store group's share capital held, mainly through trusts, by family interests, approval for the plan at the required extraordinary general required extraordinary general meeting appeared to be a fore-

But now a group of shareholders, who are locked in as beneficiaries of family trusts and who have become increasingly unhappy with the low returns on their investment, are considering attempting to frustrate the project in order to force action on their longstanding dissatisfaction with the group's performance.

representing four brothers and nine children, have already, via

"We have had to live with a yield of 2 per cent, which is a very low return compared with the paper value of our invest-ment. We want a higher income and improved security for our capital. The redevelopment basically represents a prolonga-tion of the status quo, even if there is the prospect of higher income several years down the

"The latest deal may be good for the board but it does very little for the family. We do not necessarily believe it is in the best interests of Bentalls for family control to be maintained and were hoping that a takeover would be accepted as the best way shead."

Mr Edward Bentall, chairman and managing director of Bentalls, said he was aware of the complaints of a proportion The Grainger family interests, of family shareholders but they were a minority. The redevelopment plan would play a major solicitors, written to the trust in boosting the group's trustees of the principal trust. For income and profitability. He voicing their complaints. Mr role in boosting the group's Christopher Grainger says he is was confident that the proposals

### Sun Life sells to Speyhawk

SUN LIFE of Canada is selling the lease on its London headquarters, close to Trafal-gar Square, to Speyhawk for

over £10m.
Sun Life will move out to new headquarters in Basingstoke in 1987 and Speyhawk is planning a 90,000 sq ft net refurblehment of the property. at 24 Cockspur Street. An early planning application is expected. Jones Lang Wootton acted for Sun Life. Sinclair Goldsmith advised Speyhawk Raven

of Land Securities, has made further retail warehouse in-vestments, totalling £9m. The company has acquired the company has acquired the Texas Homecare outlet in London's Edgware Road and leased it back at £6.25 a sq ft, while in Bolton it has purchased the W. H. Smith Do it All store in Manchester Road and leased it back at £4 a sq ft. Ravenside has also bought an MFI and W. H. Smith complex in Chectham Hill. Mane plex in Cheetham Hill, Man-chester, and has let at £4 a sq ft the recently completed, 24,000 sq ft Texas DIY store in St Mary's Road, Sheffield. • Burton Property Trust has sold a five-unit shopping scheme in Kidderminster to Pensman Nominees for around 25m rents total 223,000 a year. Edward Edward Edward 223,000 a year. Debenham Tewson and Chin-

# Multiple ownership gets closer

THE prospect of a "property stock market," trading units in individual buildings, came a step closer this week with the step closer this week with the publication of the long-awaited blueprint designed by a work-ing party set up by John Bark-shire, chairman of Mercantile

The report homes in on the creation of a Unitised Property Market and emphasises that, providing legal formalities are met, it offers a way of making multiple property ownership more tax efficient. The working party also suggests that units should be priced on the basis of supply and demand, instead of being sold and repurchased by a management company on an underlying asset valuation basis.

All sorts of alternative unitisation methods have been mooted and this week's report takes a sideswipe at most of them. The Berkshire team touches, unkindly, on a couple of less familiar proposals con-ceived by the likes of Ameri-can bankers or City solicitors: Participating mortgages — "used in the United States but not necessarily appropriate for the general public."

• Multiple leaseholds — "a hierarchy of leases; value is usually lost in the splitting of income."

Whichever route is favoured, there is no doubt that surveyors and other property oriented groups have been spending a great deal of time on examining the challenge of multiple owner-ship. The genre has grown in partner with Jones Lang Wood-

Institution of Chartered Surveyors' own working party on unitisation published its consultative document last year.

To discussion its may well get the discussion going with this week's remark that there is no proposal for annual valuations of the single properties which are to be

Many people then thought that unitisation was a pre-conceived solution. Mike Boggis, of Allied Dunbar Pro-

Boggis, of Allied Dunbar Property Funds, a member of the RICS working party, says it was not. He had been considering the alternatives since 1982.

"In partnership with the Prudential of the US, we were in 1982 invited with others to participate in the \$400m syndication of 50 per cent of the Rockefeller Centre. The deal did not go through but it led me into thinking about what a small share in a big building could be worth." The Rockefeller complex has since formed the centrepiece for perhaps the the centrepiece for perhaps the most spectacular piece of real estate unitisation seen anywhere in the world.

A year ago, unitisation was being seen as the way to fund City of London office blocks designed to accommodate big bang participants and their high-tech support systems. This year, the formula is also being linked with the regional or "supra-regional" shopping centres planned for motorway locations around the country.

Institutions, the theory goes, will jib at putting £20m into a single development but will happily put £5m each in four. Smaller funds will have some choice, rather than none. Robin Broadhurst, a team member and City investment

There is intellectual courage in this. Standard property valuations have been under fire because they are so infrequently because they are so infrequently seen to be tested in the market. Broadhurst says that single property units will be valued at the price at which they are traded — the trading operation supported by a detailed annual trace of the strategy of the series of the supported by a detailed annual trace of the series traded — the trading operation supported by a detailed annual report to unitholders and, more than likely, any number of estimates from stockbrokers' analysts.

Tim Simons, from Savills, says that discussions with the British Property Federation, the RICS and the Department of Trade and Industry had given room for encouragement and supported the view that the working party report was along the right lines.

Peter Green, of the Pruden-

tial, commented: "If we were doing a £150m to £200m builddoing a £150m to £200m build—
The team says that US ing in the City we would be property in future will no delighted to hold 20 per cent of longer be the domain of tax the units. If we were going specialists but of property in to put £10m a year into inner city regeneration, we would rather spread it over a number very much in favour of the of projects." Comments like buyer and that US pension these seem certain to ensure funds are increasingly hungry that a system of unitisation is for prime real estate. on its way. Its precise form and just how popular it becomes, only time will tell.

# WICO backs new US investment vehicle

WICO, Galloway & Pearson, the City of London stockbrokers, are offering for sale, by private placing, up to 5m units of \$10 each in American Resity Venture, a new venture capital

US, where most of its activities will be concentrated. Proposed directors of the company are Thomas Wilson, chairman and senior partner of St Quintin, the estate agents, and Alan Carter, an analyst at WICO.

The new vehicle says its potential lies in exploiting some of the weaknesses now apparent in the west coast real estate sector, namely an oversupply in the office sector, tax changes which threaten the all-powerful syndicators and the fact that many investments are financed by short-term debt.

vestors and advisers; that the non-prime investment market is ARVCo, through its US

vehicle Pacific Property Fund 1, intends to buy non-prime, im-WILLIAM COCHRANE prove it to prime status and sell

juicy profit.
The advisers include Donald R. Holcher, a partner in Rosen-burg Real Estate Equity Funds, one of the largest US pension fund real estate investment advisers, and David Sherwood, a former St Quintin and Barclays man and now an independent real estate investment consultant. They all say a "value gap" has appeared between institutional and non-institutional US property, which they first spotted early last

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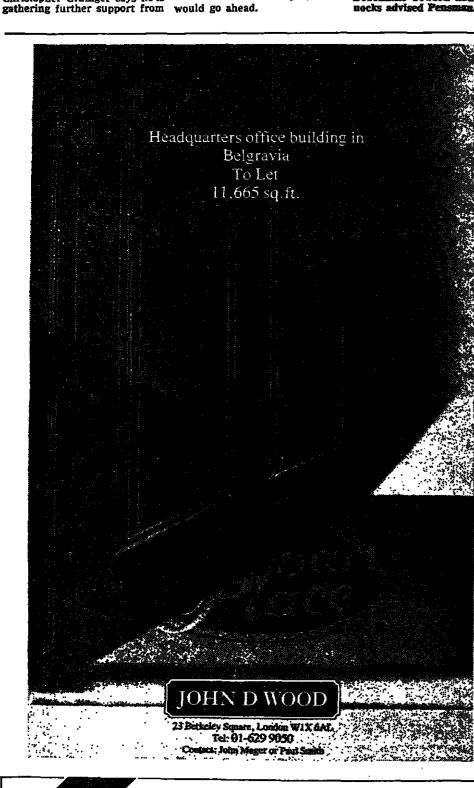
Paddie der Tombe

So why do the US institutions not develop their own product.
"They have to consider the ERISA (Employees Retirement Investment Securities Act) legislation," said Mr Holcher this week, "under which, if they make high-risk decisions, trustees and pension fund administrators can be held personally responsible for the results." responsible for the results."

The fund will be going after

the top 200 US pension funds with west coast and western fornian major cities, Denver and Phoenix. "We're not looking to go into Denver to buy a \$70m skyscraper in need of tenants. "For \$15m," he adds, "you can get a good-sized community shopping centre (100,000 to

250,000 sq ft), a garden office building of 60,000 to 100,000 or development."





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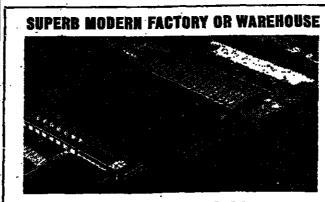
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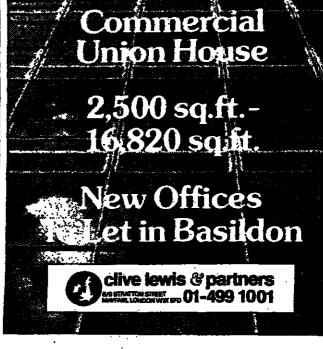


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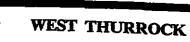
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from and less advantageous than before.

On the other side, the factors

on the other side, the factors in favour of the conclusion that the £1,000 was received from Miss Hamblett's employment were: (1) the offer was made to all GCHQ staff and was in no

degree personal to her as opposed to other employees; (2) the rights in respect of which payment was made were part and parcel of the employer/

employee relationship; (3) payment was received only by employees who chose to continue

employees who chose to continue in employment at GCHQ with the reduced rights.

Weighing the factors on each side, the payment should be described as being from the employment. It was therefore an emolument and assessable accordingly. The claim under section 61 of the 1976 Act did not arise.

The appeal was dismissed.
For Miss Humblett: Robin
Mathew (Lane and Co., Chelten-

for the Crown: Alan Moses (Inland Revenue Solicitor).

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By Rachel Davies

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are informed that Ryobi Limited has paid a dividend to 50th November 1985 of Yen 3.75 per Yen 50 Share of the Depositary has converted the net amount, after deduction filing space, into United States Dollars. EDR Holders may now present Coupon No. 10 for paym





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C. ITOH AND CO., LTD.

IMPORTANT NOTICE Hambros Bank Limited ("Hambros") have been advised by C. Itch and Co., Ltd. ("The Company") that the Board of Disectors, at a meeting held an 14th February 1996, have resolved to issue new shares to shareholders.

Particulars of the issue are as

1 As of 20th May 1986, the Com-pany will make a free distribution of new shares out of a cortain portion of the amount of the stated capital, such amount being an excest amount over the total par value, pursuent to the pro-visions of article 293-3-2 of the commercial code of Japan. The amount of such portion to be arrived at by multiplying 50 yen by the number of new shares to be issued."

2 The new shares will be silotted to shareholders on record as of 31st March 1986, at the rate of 1 new share for every 10 shares owned as of that date. Fractional shares will be sold an bloc and the proceeds distributed to the shareholders entitled thereto.

All other necessary matters con-cerning the proposed issue will be determined by the Soard of Directors of the Company.

Holders of Bears Deposits Receipts (BDR's) issued by Hambros will be informed in due course of the procedure to be followed to obtain their new cartificates. (and any cash due to fractional entitlements), with respect to this issue.

HAMBROS BANK LIMITED 7th March, 1986

### Company Notices

THE ROYAL BANK D00.000.025U Floating Rate Debentures due 2005

In accordance with the terms and conditions of the Debentures, the interest rate for the period March 10th 1986 to April 10th 1986 has been fixed at 77 per cent per annum. On April 10th 1986 Interest of US\$6.781250 per US\$1,000 nominal amount of the Debentures will be due for payment. The rate of interest for the period commencing April 10th 1986 will be determined on April 8th 1986.

Orion Royal Bank Limited Agent Bank and Principal Paying Agent

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The February 20, 1946 Bonds for the amount of UA 6,429,000 have been grawn for redemption in the presence of a Notary Publish by redemable coupon No. 8 and following attached on and after April 10, 1986.

The Bonds are those NOT YET PREVIOUSLY REDEMED, induded in the reages beginning:

at 29759 up to 40000 lock. Amount purchased on the market:

1A 1.571.000.

Amount outstanding: UA 24.000.000.
The Fiscal Agent KREDIETBANK
S.A. Liuembourgeoise
Liuembourgeoise

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN MAKITA ELECTRIC WORKS, LTB.

NOTICE IS MEREBY GIVEN that a cash fluidend will be paid to shareholders of exord date February 21. 1936. Further-nore, it has been declared that the shares will be traided ex-dividend on the Japanese will be forced from February 21.

Legal Notices .:

IN THE MATTER OF MAYA COSMETICS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 18th day of April. 1986, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (If any), to the undersigned Philip Monisck, FCA, of 30 Eastbourne Terrace, London W2 SUF, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their Solicitors, to come in and prove their Solicitors, to come in and prove their solicitors, to come in such notice, or in default thereof they will be excluded from the banefit of any distribution gade before such debts are proved.

Dated this 27th day of February, 1996, P. MONJACK, Liquidator.

N.B.—This notice is purely formal. All known creditors have been, or will be, paid in full.

IN THE MATTER OF SEKUTON LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1985

THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the creditors of the show-named Company, which is being voluntarily wound up, are required, on or before the 11th day of April. 1986, to send in their full Christian and aumanas, their addresses and descriptions, full perticulars of their dabts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Susphen Daniel Swaden, FCA. of 30 Eastbourne Terrace, London W2 SLF, the Liquidator of the said Company, and, if so required by notice in writing from the said Uquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be sectuded from the benefit of any distribution made before such debts are proved.

Bated this 28th day of February, 1986. has proved.

Dated this 28th day of February, 1986.
S. D. SWADEN,

No. 00283 of 1986
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
HAT GROUP PLC AND IN THE MATTER OF THE COMPANIES ACT 1985

THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated the 17th February 1986 confirming the reduction of the Sheap Pramium Account of the above-named Company by the aum of 29.185.488 was registered by the Registrar of-Companies on 21st February 1986.

Dated this 4th day of March 1986.

BERWIN LEIGHTON of Adelaida House London Bridge London ECAR SHA Ref. IL.

Solicitors for the above-named Plaintiffs

Public Notices

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY SOCIETY

NOTICE IS MEREBY GIVEN that the Annual General Meeting of the Society will be held in the Society's Head Office, No. 28, 52, Andrew Squere, Edinburgh, On Teuraday, 20th March 1986 at 12.30 on toursday the Accounts and Balance Sheet and Reports of the Directors and the Auditor, to elect Directors, to deternize the remuneration to be paid to the Directors and to re-appoint the Auditor.

A Member of the Society entitled to appoint aenther received to appoint aenther received to appoint aenther the Cockety's Head Office not less than forty-tight hours before the hims for Bodding the Meeting.

By Order of the Search

# FT COMMERCIAL LAW REPORTS

# GCHQ compensation for lost employment rights is subject to tax

HAMBLETT V GODFREY (HM INSPECTOR OF TAXES) Chancery Division: Mr Justice Knox: March 3 1986

A LUMP sum paid to Civil Service employees, in recogni-tion of their loss of the right to join a trade union or to resort to an industrial tribunal, is subject to tax as 2n "emolument" from their

employment.
Mr Justice Knox so held when dismissing an appeal by Miss J. W. Hamblett from a decision £1,000 paid to her by her employers, Government Communi-cations Headquarters (CGHQ) for loss of employment rights was assessable to income far. was assessable to income tax.
Section 181(1) of the Income
and Corporation Taxes Act 1970
provides by Schedule E: "1. Tax
under this schedule shall be
charged in respect of any office
or employment on emoluments
therefrom..."

Section 183 (1): "... 'emolu-ments' shall include all salaries, fees wages, perquisities and profits whatsoever."

HIS LORDSHIP said that before December 1983 Miss Hamblett's rights as a GCHQ member of staff included the right to join a trade union and to apply to an industrial tribunal under the employment protection legisla-

employment protection legislation.

Miss Hamblett had not belonged to a trade union since 1972. She was, however, permitted and encouraged to do so.

In December 1983 the Prime Minister, as Minister for the Civil Service, gave a direction under article 4 of the Civil Service Order in Council 1982 that conditions of service at GCHQ should in future exclude membership of a trade union other than a departmental staff association.

ation.
Also the Secretary of State for Foreign Affairs issued certifi-cates under section 121(4) of the eates under section 121(4) of the Employment Protection Act 1975 and section 138 (11) of the Employment Protection (Consolidation) 1978, which had the effect of removing the rights of GCHQ staff under the two Acts. After those steps the staff at GCHQ including Miss Hamblett, lost their right to belong to trade unions or to resort to industrial tribunals, and other forms of statutory protection.

On January 25 each staff member received from the GCHQ Director a document stating that "in recognition of

stating that "in recognition of the withdrawal . . . of the statutory rights . . a special er gratic payment of £1,000 (subject to tax) "would be made o all staff remaining with the

department.

It was accompanied by an option document. By option A an employee undertook note to join a trackerunton. By coption B he stated that he did not wish to remain with GCHQ, but would like a transfer Miss Hamblett like a transfer, Miss Hamblett accepted option A. By a letter of February 21 the Director explained to all staff

that the £1,000 was not intended statutory rights, and that it was fied. On the other hand, the will lose rights."

Miss Hamblett received the £1,000 in her monthly pay cheque for March 1984. It was described as a "special pay-ment" on the assumption that it was subject to tax.

The question was whether that assumption was correct. The fact that the payment was stated as being subject to tax did not affect the matter. The Crown's claim was made

The Crown's claim was made in two mutually exclusive ways—that the £1,000 was chargeable under section 181(1) of the Income and Corporation Taxes Act 1970 as an "emolument" from Miss Hamblett's employment; or that it was a "benefit" by reason of her employment so that under section 61 of the Finance Act 1976 its "cash equivalent" was to be treated as an emolument.

The Special Commissioners

as an emolument.

The Special Commissioners found in favour of Miss Hamblett on the first claim and against her on the second.

Their factual finding was that the £1,000 was not paid in return for services. Their conclusion of law was that that finding prevented the payment from being an emolument.

There was a great weight of authority on the meaning of "emoluments therefrom" in section 181(1). The fundamental principle was that each case was to be tested against the provi-sions of the Act and the authorities did no more than illuminate those provisions.

The finding of fact that the £1,000 was not paid in return for services was accepted. But the conclusion of law that the the conclusion of law that the finding was necessarily determinant was not accepted.

The Special Commissioners' view was that an "emolument" for the purposes of section 181 was "essentially a payment made by way of remuneration in return for performance of the duties of an officer and for no other purpose."

other purpose."
That could be put negatively — if a payment was not remuneration it was not an emolument.

That conclusion was unaccept That conclusion was unacceptable for a variety of reasons:

(1) It was inconsistent with authority (see Laidler v Perry 42 TC 35); (2) the expanded definition in section 183(1) seemed to indicate something wider than remuneration was intended. "nerungitas and mofits." wider than remuneration was in-tended —"perquisites and profits whatsoever" seemed to go much wider; (3) "emoluments there-from" indicated that the employ-ment must be the source of the emolument, capeble of casting a wider net than remuneration. The test of remuneration as necessarily determinant was re-jected.

There remained the question

There remained the question whether the payment should be regarded as obtained from the employment.

The factor against such a conclusion was that the Special Commissioners found the purpose of the payment was solely to recognise withdrawal of

as a bribe, but represented "a bot in return for services. Recognizing that . . . staff brition of rights when it took the continued service by Miss Hambwill lose certain statutory form of lump sum payment was lett would be on terms different

compensatory.
Mr Mathew, for Miss Hamblett, argued that the rights lost were personal. He compared them with a right to vote in the elec-tions or to write to the news-

That analogy was false. The right to join a trade union was intimately bound up with, and necessarily part and parcel of, a particular employment. Also, rights under the employment protection legislation were bound up with the relationship of employer and employee.

The employer are therefore The submission was therefore

Mr Mathew also relied on the factor that there was no obliga-tion on Miss Hamblett to con-tinue in GCHQ employment. He said it was a unitateral payment

That was an oversimplification. That was an oversimplification. There was a requirement that Miss Hamblett's service should continue until April 2 1984. Also there was a requirement that probationary staff should complete their probation before receiving payment—which was of some relevance to an analysis of the nature of the offer.

the nature of the offer, Mr Mathew relied on the fact that the transaction did not full texts of judgments, are pub-amount to an agreed variation of the terms of employment. In so far as that submission was based on the unilateral nature of the transaction, it was justi-

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MATTHEWS GOODMAN

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3D & CO

# Oil from tyres plant hits large scale problems

first commercial scale plant for making oil from old tyres by pyrolysis, the process of break-ing down a material into its widespread interest in raw

Opened only two years ago The plant was also intended at Walsall, near Wolverhamp- to recycle some of the comated continuously and seems to pyrolysis, thus drastically cut-have little immediate prospect ting its energy bill. But as it have little immediate prospect

Meanwhile, Tyrolysis, the company formed to run it, has begun legal action against the plant's constructors, Foster Wheeler Power Products, a UK-based subsidiary of the US Foster Wheeler engineering group, which is also among the 20 or so shareholders in Tyrolysis.

Foster Wheeler has yet to reply in detail, but says the action will be "vigorously"

defended. Judging by some of the company's complaints, Tyrolysis offers a classic example of the hazards of scaling up an apparently successful pilot scheme to the commercial scale. Says one Tyrolysis director: "It's the plant that does not work — not the process."

Originally due to have been on stream in 1984, Tyrolysis would have treated 50,000 tonnes of scrap tyres a year, producing 20,000 tonnes of light fuel oil, 17,500 tonnes of carbonaceous solid fuel and

7,000 tonnes of steel scrap. Although the plant has produced some oil by pyrolysis in temperatures of more than 500 into a knife mill and, after deg C continuous operation has been prevented by its failure, despite 10 trials, to ensure the smooth flow of all the other

unconventional sources of energy has left a trail of disappointments as well as achievements.

The disappointments now appear to include the world's first commercial scale plant for

making oil from old tyres by Tyrolysis's complaints include criticism of the plant's ing down a material into its "quench" system for condenscomponent parts by heating it ing vapourised rubber into oil in the absence of air (described and its magnetic system of an and its magnetic system of an analysis and an ana elsewhere on this page). It was extracting the metal scrap from a product not only of the oil the other residue. It alleges crises of the 1970s but of the that the "char" is still burning materials recovery launched in therefore causes unacceptable the previous decade.

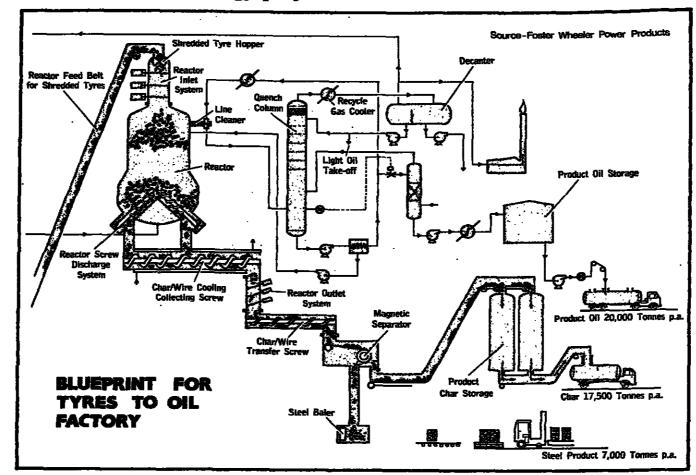
ton, the £8m plant has not oper- bustible gas produced during allegedly never worked at much more than 30 per cent

> behind after the distillation of the oil in the reactor. The "char" was to have been sold to power stations as a substitute for coal. The steel would have been sold as scrap.

> Right from the outset, it was recognised that the handling of these heavier materials rather than the "pyrolysing" of the tyres would present the main technological challenge. This area was dealt with intensively by the Department of Industry's Warren Spring Laboratory, Hertfordshire, whose pioneering technology led to the Tyrolysis company formed.

> A document prepared by Foster Wheeler Power Products plant was to have consisted of three main stages:-The incoming tyres are fed

screening, the sliced pieces are fed into the top of the reactor through a series of valves. After passing through valves associated materials through into the pressurised reactor, the raw material would be heated by hot oxygen free yers.



gases which cause pyrolysis to

The solids, consisting of a friable carbonaceous char and lengths of steel wire, would be removed from the reactor bed by large inclined screws. The solids then passed through more screws, during which the char was cooled to prevent it from catching fire. The solids then passed through a final series of valves before returning to atmospheric pressure.

On leaving the reactor the solids would fall through crusher rollers and enter the magnetic separation system.

The bot char would be cooled once more before being conveyed to large silos by bucket levators.

The plant, said Foster Wheeler, could tolerate "foreign materials" such as wheel rims and hammer heads; allow a "wide range of adjustment" in product specifications for estab-lished markets, and would be self-supporting in energy terms. That was more than two years

ago. The extent to which these specifications have been met has since become a matter not only for engineers but also for law-

### THE CHASE TO RECLAIM FUEL FROM WASTE

FOR MORE than a decade, scientists in Britain and other countries have been working on the reclamation of fuel from petro-chemical products, such as used plastic or rubber, which would otherwise be discarded as waste.

They have attempted to do so by pyrolysis, the process whereby materials are broken down into their constituent substances by being heated in the absence of air. Organic materials treated in this way can be broken down into coal like "char," hydrocarbon oils and gases, all of which can be

The greater the calorific value of the waste material, the greater the incentive for being able to harness it as fuel. Although pyrolysis is Although pyrolysis is used for producing charcoal and industrial alcohol from wood, it is thought to have few other commercial appli-

Japan and West

scientists specialised in pyrolysis of plastics.

In Britain, some of the main work has been carried out by Government scientists at the Department of Industry's Warren Spring labora-tory, Hertfordshire. Although they have examined the prob-lems of treating plastics and textiles, their main efforts have concentrated on pyrolysing household waste and tyres.

Tests at Warren Spring have shown that up to 40 per cent of the calorific value of household garbage can be converted into a gaseous fuel similar to the old town gas, that is, about 35 therms of gas per tonne of waste. The laboratory developed a process of treating waste for which an exclusive licence was sold to Foster Wheeler

In 1974, the Warren Spring scientists also started work on producing oil, gas and solid

fuels by pyrelysis of rubber. The pilot programme was sponsored by Batchelor Robinson Metals & Chemicals, a metals recovery concern. It involved treatment of some 500 tonnes of scrap tyres and produced data for the design a full-scale treatment

About five years later, a new company, Tyrolysis, was set up by Foster Wheeler Power Products and Leigh Interests, the Midlands waste handling specialists, to exploit the process commercially.

Unlike Warren Springs' work on pyrolysis of household waste, the work on tyres was not patented since it was regarded as merely an extension of existing technology. It had embraced not only

the heat treatment of the tyres but also the consider-able difficulties of discharging the solid materials from the reactor in which the pyrolysis took nisce.

### **Boost to** artillery's efficiency

BY LORNE BARLING

IF EVERY artillery shell fired could find its target, much higher-priced shells would be acceptable and even preferable, given increasing financial pressures on defence conding sures on defence spending.
Such a shell, guided by a
miniaturised infra-red system in
the nose, has been developed

Hymatic, an aerospace and defence company, has seen its turnover rise from less than fim a year in the early 1970s to a current £14m. It has benefited from long-term research in the crucial area of military

by Hymatic Engineering of the UK and production is being

guidance systems.

Redditch-based, it is part of the thriving Flight Refuelling Group, and much of its recent growth has been derived from the supply of infra-red detector systems for missiles such as the European Sidewinder and Milan anti-tank weapon. For many years, Hymatic has been a leader in the design and

manufacture of components for thermal imaging systems, based on the Joule Thomson effect to provide cooling for low-

temperature detectors.

The coolers are miniature precision units by which a complex relationship of thermo dynamics, fluid flow, heat exchange and control are able to convert pure high-pressure gases to liquid at very low temperatures.

This provides the low temperature necessary for infra-red detection of heat sources and when linked with a missile actu-ation system, will guide it accurately to its target. The company has just completed making 12,000 of these supercoolers for the Sidewinder airto-air missile.

Hymatic has now developed due to new design, alloy and plastic materials and automated

manufacturing techniques.
The company is likely to participate in the American Strategic Defence Initiative (SDI), according to Mr Peter Smith, special projects director, since the recently signed memorandum of understanding with the UK, identified thermal imaging as one of the areas in which British technology is equal or better than that in

However, according to Brian Longbottom. Hymatic's manage of the company's work relates ing director, it is the micro- to those projects,

AHOVING EXPERIENCE International Handling and Storage Exhibition NATIONAL EXHIBITION CENTRE BIRMINGHAM 18-21 MARCH 1986

mechanical aspect of the com-pany's future which is creating new challenges, both in design and production terms, although these are increasingly integrated.

The company's engineering capability is already highl developed and many of its products are close to state-of-theart. Therefore the prospect of mass-producing mini-coolers for shells and other munitions, such as bombs and small mis-

opportunity. The company says that automation was the natural route for efficient assembly of this kind of product, but special problems were present, since some work could only be carried out manually with the aid of a microscope.

Hymatic is already highly computerised in terms of pro-

Shells that always findtarget will ease pressure on defence spending

duction, with wide use of advanced machine tool systems. This has been essential to

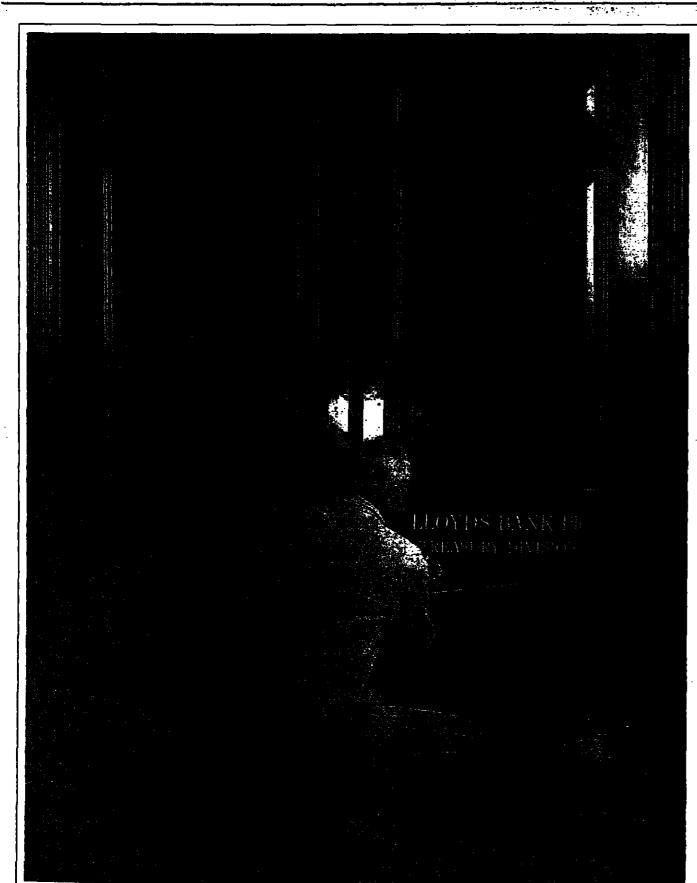
achieve flexibility for small production runs. The company believes that high volume production of micro-mechanical products is technically possible and that in coming years they will be a major contributor to increased turnover. The artillery shell system is

expected to provide longer term work for the company, running. Hymatic has now developed a tiny version for artillery activities which have widened shells. It can be manufactured considerably from traditional in volume at about one-tenth air compressors to high technical than one of earlier systems, nology aircraft and defence alongside its other mainstream components.

Most products involve fluid control technology, increasingly in the form of "gas betteries" which provide instant energy when pressured gas is released from high strength metal containers.

These are widely used in applications such as emergency actuation systems for undercarriages on major projects like the Tornado, Harrier and Hawk aircraft.

At present a large proportion



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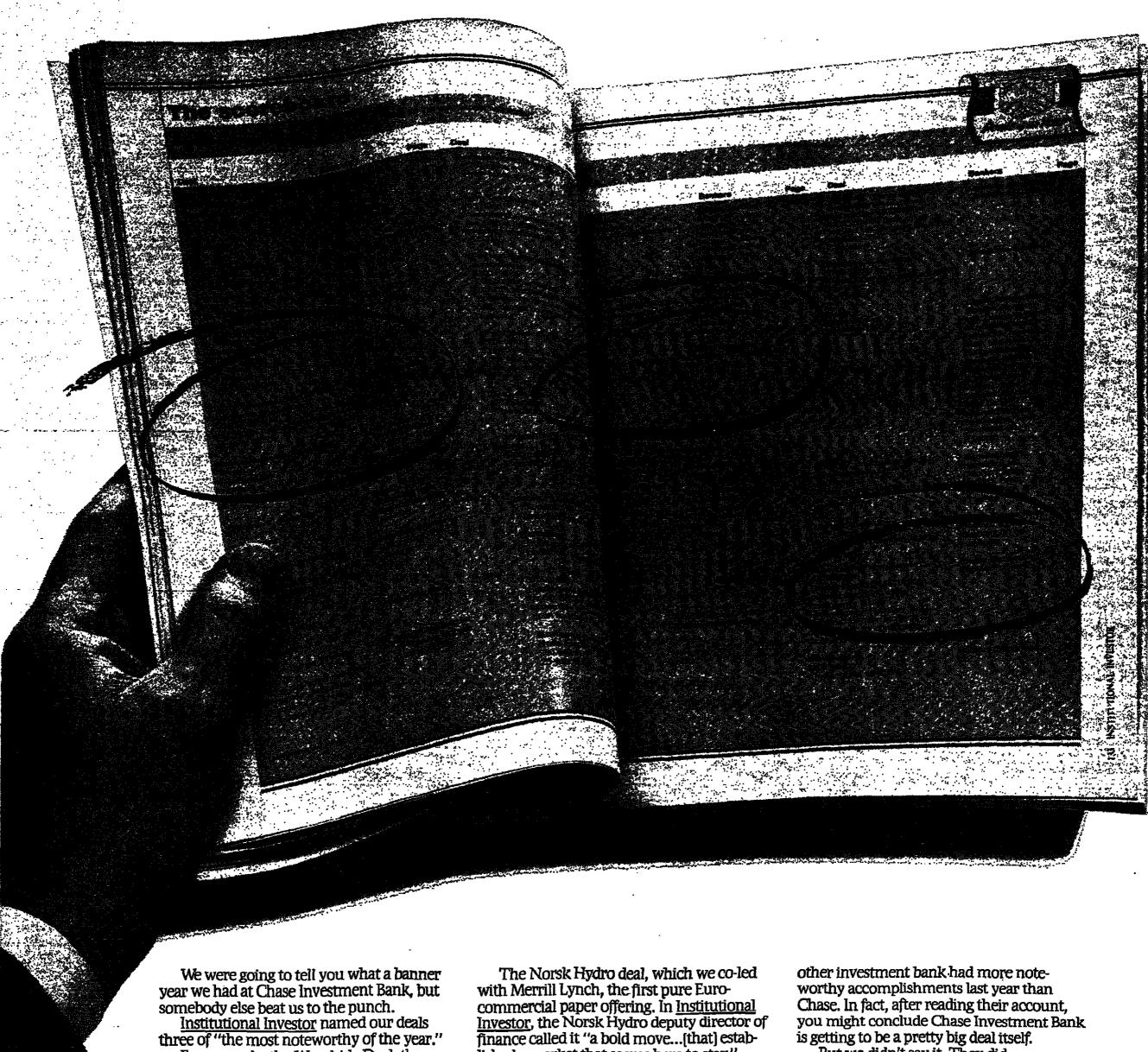
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### **Exhibitions**

### LONDON

The Royal Academy: Sir Joshua Rey-nolds. The long-awaited tribute from the Royal Academy to its founding president fills the principal galleries of Burlington House until March 31 (sponsored by Na-tional Westminster Bank). A truncated version has already been shown in Paris. It is an equivocal compliment, for it confirms Reynolds as one of England's major arthistorical heroes and exposes his limitations as a painter. Lacking the flair of such contemporaries as Ramsay and Gainsborough, let alone of the older masters of the grand manner, such as Van Dyck and Vernnese he had the ambition to match himself against them, and whatever he achieved in position and accomplishment was by effort and determination.

### PARIS

Homage to Paul Delvaux. Distant and solitary in their cool perfection. their large eyes unseeing, Delvaur's nudes people his dreamlike uni-verse. The one touch of realism comes in the painting of his mother's kitchen, with an old-fashioned

coal burning stove, grandfather clock and cured ham hanging from the rafters. Centre Wallonie-Brux-elles, Ends March 31 (4271 2616). embrandt's engravings: Engravings from the Dutuit collection represent family, his friends, even shopkeepers and beggars. Every subject in-terests him, from biblical scenes to the most varied expressions of his own face, from a portrait of a philos-opher to an image of a couple mak-ing love. He experiments endlessly with the technique of etching, with different types of paper until he achieves the same strength of artistic expression in engravings as he does in paintings. Petit Palais, Closed Mon, Ends April 20 (42851273). Vienna 1880-1938: Centre Pompidou

senting 1880-1836: Centre Pompiton stages one of its vast exhibitions where different disciplines combine to bring to life a moment of history. Turn of the century Vienna, melting pot of nationalities and races, is the scene of a paradox. The mournful atmosphere of a fin de regne is lit by an explosion of ideas and artistic creativity with architects like Wagner, musicians like Mah-ler and Schoenberg, thinkers like Freud and painters like Klimt, Schiele, Kokschka and the Secession Movement. Some 2000 exhibits bear witness to Vienna's contribution to modernity. Beau-bourg-Centre Georges Pompidou. Closed Tue. Ends May 5. (4277 1233). From Rembrandt to Vermeer. 80 chefs

undt to Vermeer. 60 cheis d'oeuvres on loan from the Mauritshuis trace a panorama of 17th-century Dutch painting with Ver-meer's View of Delft with genre Grand Palais. Ends June 30.

(4261 5410). etti: first exhibition Diego Giacometti: first exhibition showing the works of a sculptor-creator of furniture, mostly in bronze with animal ornamentation. Musée des Arts Decoratifs, 107 Rue de Rivoli. Ends Apr 13 (4260 3214).

### WEST GERMANY

üsseldorf, Städtische Kunsthalle, Grabbeplatz 4: Gerhard Richter, a retrospective of 120 oil paintings of the East German artist, who has lived in Cologne since 1983. The works cover 1962 to 1985. Ends

March 16.

Hanover, Sprengel Museum Kurt
Schwitters Platz Kurt Schwitters
(1887-1948). This comprehensive
show, collected by the Museum of
Modern Art, New York, includes as
well works from his Hanover prior
(1923). There are 300 paintings (1923). There are 300 paintings, drawings assemblages, collages and sculptures. Ends Apr 20. httlgart. Staatsgalerie, Konrad-Adenauer-Str. 30-32: German Art of

the 20th century. This is the same exhibition as was shown at the Roy-al Academy in London last year. It is made up of 300 works from 1905-85 by 50 artists. Ends Apr 20.

Venice: Museo Correr: 127 drawings from the rich collection owned by the museum, from the 15th to the mid-19th centuries, includes Guardi, Canova, Canaletto, and Tiepolo, as

Venica: Palazzo Fortuny: two photo graphic exhibitions on 19th century Venice: Venice as seen by 19th century photographers and Daguerro-types from the Ruskin collection types from the Ruskin conscious. This is the first time that material Ruskin collected in Venice between 1845 and 1858, which comes from the Ruskin Gallery in the Isle of Wight and the Coniston Museum, has had a worthwhile exhibition. Also included are 16 photographs of na, Lucca and the Alps. Ends March 30. Verona and several of Florence, Sie

Florence, Museo Nazionale del Bargelio: Homage to Donatello: to cele-brate the 6th centenary of his birth the 19 Donatellos the museum owns, of which only six are of absolutely

certain attribution, have been grouped, with much documentation, grouped, with much documentation, to give a new view of the artist. The exhibition includes his extraordi-nary, languid bronze David. Ends May 30. Jome, Museo di Palazzo Venezia (via

del Plehiscito entrance): Fausto Pi-randello (1921/1975): 150 works by the son of the playwright Lnigi Pi-randello. Particularly interesting are the series of pencil self-portraits from 1921 and the later group of cu-riously foreshortened nudes. A re-markable artist, but one whose works convey a sense of intolerable and unresolved anguish. Ends Mar 23.

### NETHERLANDS

Haarlem, Teylers Museum: Survey of French 18th-century graphic art il-lustrating the new processes devel-oped to capture painterly effects in etchings and engravings and meet the demand reproduction prints. Ends Aur 6.

### SPAIN

Madrid: Modern masters from the Thyssen-Bornemisza hers 114 works from French Imism to North American shstracts: Cézanne, Gauguin, Manet, Monet, Toulouse-Lautrec, Degas, Renoir, Fissarro, Sisley, Van Gogh, Picasso, Juan Gris, Braque, Leger, Bonard, Chagall, Kokoschka, Kan-dinsky, Rothko, De Kooning, Bacon, etc. Sala Picasso, Biblioteca Nacional, Paseo de Recoletos 20. Ends

Madrid, "Max Ernst": A vest retrospective of master of surrealism on show for the first time in Spain gathers 125 works of his early Dada, frot-tages, collages and later stages: sur-realist works up to his death. On loan by the Moma, Centre Pompidou, Guggenheim and Menil centres in Europe and the States, offers the fullest study we have yet had of the work of one of the most relevant art-ists of this century. Fundacion March, Castello 77. Feb 28 to April

### hundredth anniversary of the birth of Austria's greatest modern artist, Oskar Kokoschka sees spe-

cial exhibitions all over the coun during the next weeks. About 40 of his city views will be on show at the Applied Arts Museum in Vienna to April 8. Another 120 Kokoschka works including oil paintings can be seen at Wurth! Gallery in Vienna until April 19. His controversial play Murder, Hope of Women, described as the first expressionist play, will be performed at the Applied Arts School from March 15 to 19. Several films and seminars about his work and life have also been arranged in Vienna. Other exhibitions of drawings and paintings will follow during the summer in his home town of Pochlarn, and in Graz and Salzburg.

### **NEW YORK**

tan Museum: Liechtenstein, the Princely Collection, one of the greatest private collections in Europe, shows a variety of the holdrope, shows a variety of the non-ings, like a French Rococo carriage, firearms, sculpture and a hundred paintings, including 19 Rubens, five Van Dycks, and eight Franceschinis. Ends May 1.

nis. Ends may I.
sia Society: More than 75 sculptures
illustrate the five-century long era
of the Kushan dynasty in India,
when Greek and Buddhist influences were first evident in the country's art. Ends April 6. useum of Modern Art; In the centen-

ary of his birth, the museum mounts the largest show ever devoted to the architecture, design and furniture of Mies van der Rohe with 300 draw-ings, eight models and a full-scale rendering of the chrome-plated steel column from the 1929 Barcelona Exposition. Ends Apr 15. New York Public Library: Tales of Ja-

pan, based on the little-known but extensive library holdings in Japa-

nese art, presents 130 scrolls, al-bums and prints covering eight cen-turies of Japanese popular and reli-gious works. Ends Mar 25.

### WASHINGTON

Hirshhorn: The eight contemporar American artists in the Directions series include a light installation made for the show by James Turrell and major pieces by Frank Stella and Robert Morris. Ends Mar 30. National Gallery: The 150th anniver-sary of Winslow Homer's birth is emorated in an exhibit of 100 watercolours of rustic scenes and rural life, which show Homer's ex-perimentation in watercolours before he attempted subjects in oils. West Building. Ends May 11.

### CHICAGO

Art Institute: The 75th American Exhibition chronicles the current scene in American art represented by 20 artists including Jennifer Bartlett, Roger Brown, Frank Stella and Ed Paschke, Ends April 27.

Masterpieces of Karatsu Ceramics One hundred antique bowls, jars and vases of 18th-century Koreaninfluenced ware from Kyushu, the large Japanese island nearest Ko-rea. Karatsu is made from sandy, iron-bearing clay and decorated with glazes of dark brown iron and ashen white. Formed by hand, they possess a rustic, warm quality and are extremely attractive. Idemitsu Art Gallery (9th floor of Kokusai Building, Marunouchi, near Ginza and main hotels). The museum also offers a quiet tea room and excellent omers a quaet tea room and excelent views over the oasis at Tokyo's heart, the attractive most and greenery around the Imperial Pal-ace. Ends Mar 16. Closed Mon. Masterpieces of 18th-century German paintings from the National Gellery in Berlin: 64 works by modern art-ists including George David Frai-ters.

ists including Casper David Frei-drich and Wilhelm Leibl.

### Opera and Ballet

### PARIS

Paris Opera: La Traviata alternates with Cherubini's Medea conducted by Pinchas Steinberg in a new production by Lilians Cavani with Shirley Verrett/Dunja Vejzovic in the titey verrett Dings verret Hollweg as Ja-son. Also Tchaikovsky's Manfred choreographed by Rudolf Nureyev with the poet danced by Charles Jude/Jean Gulzerix, the sister by Florence Clerc/Karin Averty and

the Countess by Monique Loudi-eres/Elisabeth Platel (42865022).

Shanghai Opera Bellet combines in The Song of the Phoenix on Mount Tchi – a Chinese contemporary vocabulary with ancient court and folklore dances, with Peking Opera's fencing and acrobatics. TMP. Châtelet (4261 1983).

laometto II, concert version, played by Orchestre Colonne, conducted by Claudio Scimone, Anna sung by Ce-cilia Gasdia. TMP-Chatelet

(42334444). Manrice Bejarr's 20th century ballet follows le Baiser de la Fee by Le Concours danced to music by Hugues Lebars, Adam, Tchaikov-Strauss. Palais des Congres.

### LONDON

Royal Opera, Covent Garden: Revivals of Barbiere di Siviglia (with Mikael Melbye in the title role) and Il trova-tore (with Rosalind Plowright, Franco Bonisolli, Stefania Toczyska, and

co Bonisolli, Stefania Toczyska, and Leo Nucci) make up the rather dull routine of the Royal Opera this week (2401086).

English National Opera, Collseum:
Jonathan Miller's dream-in-a-library production of The Magic Flute, a dry concept given warmth and vitality by the excellent ENO cast, continues in repertory. Also La Bohème, with Valerie Mesterson's enchanting Mimi, and the extreme ly unsatisfactory "new look" produc n of Madame Butterfly, redeemed uon or maname Butterfly, redeemed (as far as possible) by the conducting of James Lockhart. (836 3161).

Boyal Opera House, Covent Garden:
The Royal Ballet offers a triple bill

including the glitzy Frankenstein.
Also performances of La Fille mai

### **WEST GERMANY**

Berlin, Deutsche Oper: Ariadne auf Naxos brings together Costanza Cuccaro, Janis Martin and Hermann Winkler. Die lustigen Weiber tions by Norma Sharp and Barry McDaniel Die Meistersinger von Nürnberg stars Pilar Lorengar, Her-mann Prey and Horst Laubenthal Don Giovanni, sung in Italian, has Cheril Studer, Pilar Lorengar and Lenus Carlson, Madame Butterfly rounds off the week. (34381).

Hamburg, Staatsoper: Parsifal has Kurt Moll and James King. La Clemenza di Tito features Barbara Honney, Doris Soffel and Harald Stamm. Faust has Alberto Cupido brilliant in the title role. (351151). Frankfurt, Opera: Premiering this week is Orpheus in der Unterwelt, produced by Jürgen Tamchina. Hec-tor Berlioz rarely played The Tro-jan. Also Die Verkaufte Braut.

Cologne Opera: Premiering this week is Tristan und Isolde, produced by Michael Hampe, with Jeannine Alt-meyer and Rene Kollo in the main parts. Further productions are Madtly and The Turn Screw. The latter is sung in English (20761).

München, Bayerische Staatsoper: Center (362 6000).

This week's highlight is Don Giovanni with Edita Gruberova, Trudeter): The company's first musical liese Schmidt and Kurt Moll. Carmen is a well done repertoire performance. Un Ballo in Maschera with-Mara Zampieri, Carlo Cossutta and Wolfgang Brendel is conducted by Guiseppe Patane. (21851).

Amsterdam, Stadsschouwburg, New production of the Marriage of Figaro (in Italian) from the Netherlands Opera directed by Rhoda Levine, with the Netherlands Philharmonic and the Opera Choir conducted by Hartmut Haenchen. Jake Gardner as Figaro, and Sylvia McNair as Susanna. (Wed). (24 23 11).

Milan: Teatro alla Scala: Die Frau Ohne Schatten conducted by Wolf-gang Sawallisch and directed by Jean-Pierre Ponnelle, who also designed the scenery and costumes. Eva Marton, Brigette Fassbänder and Hartmut Welker. This is the

first time the opera has been produced in Italy. (809126).

Rome: Teatro dell'Opera: The Barber of Seville conducted by Marcello. Panni and directed by Antonello Madau Diaz. A pleasant but conventional production with scenery and

tional production with scenery and costumes by Roberto Lagana (481755).

Trieste: Teatro Comunale Giuseppe Verdi: A one-act opera, Volo di Notte with music by Luigi Dallapiccola based on Antonia de Saint-Exuperare Vel de Nuit Genna Opera productione de Saint-Exuperare Vel de Nuit Genna Opera productione de Saint-Exuperare Contra production de based in Antonia de Saint-Exep-ery's Vol de Nuit. Genoa Opera pro-duction, directed by Vera Bertinetti, and conducted by Wolfgang Ren-nert Also a new ballet with choracyraphy by Tuccio Rigano to music by Dallapiccola, Wolfgang Rennert con-Dallapiccola, Wolfgang Rennert conducts and the scenery and costumes by Antonio Mastromattei

(831 948). Turin: Teatro Regio: Idomeneo con-ducted by Zoltan Pesko and directed and with scenery and costumes by Jean-Pierre Ponnelle. (548 000).

Naples: Teatro di San Carlo: Simon Boccanegra conducted by Daniel Oren, with Renato Bruson (who also directed), Reana Cotrubes, Luis Lima and Nicolai Ghiaurov. The scenery and costumes are by Tita Tegano. (418266).

no. (416 200).

Parma: Testro Regio: Lucia di Lammermoor with Alfredo Kraus, Angelo Campori conducts and the scenery and costumes are by Pier Luigi

Madrid, Ballet Nacional de España, Spanish Ballet. Guest star is Merche Esmeralda, a good exponent of this very special Spanish type of dancing. Teatro Monumental, Atoc-

taatsoper: Elektra, conducted by Klobucar with Ludwig, Jones, Lotte Rysanek. La Fille mal gnardée conducted by Richter (5324/2655).

Volksoper: Das Land des Lächeins conducted by Bibl. La Bohéme; Weinberger's Schwanda, Der Dudelsackpfeiter. (5324/2657).

Metropolitan Opera (Opera House): The week features the premiers of Sir Peter Half's production of Car-men conducted by James Levine with Maria Ewing in the title role Catherine Malfitano as Micaela and Placido Domingo as Don José. It joins the repertory of Simon Boccaegra with Anna Tor Amelia and Sherrill Milnes in the title role conducted by Myung-Whun Chung, Falstaff conducted by James conducted by Nello Santi with Rena-ta Scotto in the title role. Lincoln

ter): The company's first musical comedy season kicks off with five weeks of Lerner and Loewe's Brigadoon, conducted by Paul Gemignani in Gerald Freedman's production. Ends Mar 30. Lincoln Center (870 5570).

### Music

### LONDON

Huddersfield Choral Society and Royal Philharmonic Orchestra conducted by Owain Arwei Hughes with Felicity Lott, soprano, Sarah Walker, mezzo-soprano, Maldwyn Davies, tenor and Benjamin Luxon, bass. Handel's Messiah. Royal Festival Hall (Mon) (9283101)

and Nelson Freire (piano duet): Mozart, Brahms, Rachmaninov, Debussy and Liszt (Mon).

The Milwaukee Symphony Orchestra, conducted by Lukas Foss and pianist Ivo Pogorelich, Prokoūev and Brahms (Wed).

conducted by Lukas Foss and pian-ista Ivo Pogorelich, Prokofiev and Brahms (Wed).

Berlin, Philharmonie: Berlin Philhar-monic Orchestra, conducted by Ric-cardo Muti. Mendelssohn and Bruckner. Soloist is Leon Spierer, violin. (Wed).

### ITALY

Florence: Teatro Comunale: Bach's Wall-Tempered Clavichord, Andres Schiff (Tue and Wed). (2779236).

Rome: Oratorio del Gonfalone (Vicolo Daniel Barenboim: piano recital (Oratorio del Confalone (Vicolo Daniel Barenboim)) Rome: Oratorio del Gonfalone (Vicolo della Scimia 1/B - Via Giulia): The Chamber Orchestra of Paris Music from the Middle Ages to the Ba-roque period. (Thur). (655952).

Rome: Teatro Olimpico: (Piazza Gentile da Fabriano): Pianists Mikita Magalofi and Michel d'Alberto. Chopin, Grieg, Debussy and Bizet (Wed). (393304).

Rome: Auditorium via della Conciliazione: Soprano Margaret Price. Brahms, Berg and Stravinsky (conducted by Giuseppe Sinopoli). (Monand Tue). (6541044).

ies, tenor and Benjamin Lucon, bass. Handel's Messiah. Royal Festival Hall (Mon). (928 3191).

Rodrigo Festival: Bournemouth Sinfonietta and The Renaissance Choir conducted by Raymond Calcraft. Rodrigo, Falla and Copland. Queen Elizabeth Hall (Mon). (928 3191).

Philharmonia Orchestra conducted by Carlo Maria Guilni with Kathleen Battle, soprano, and Renain Bruson, baritone. Franck and Fauré. Royal Festival Hall (Tue).

London Symphony Orchestra conducted by Eduardo Mata with John Lill, piano. Giuck, Brahms, Mussorgsky/Ravel. Barbican Centre (Tue).

(638 8891)

PARIS

Edda Moser recital (Mon). Theâtre de l'Athenée (4742 5727).

Ensemble Orchestral de Paris conducted by Yan-Pascal Torteller. Marielle Nordmann, harp, David Geringas, cello: Daniel-Lesur. Boieldieu, Haydin (Tue). Salle Gaveau (4562 6757).

SPAIN

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Anssterdam, Concertgebouw. Mosche Atzmon conducting the Netherlands Philharmonic, with Isabelle van Keulen, violin. Berlioz, Saint-Saens, Ravel (Thur). Recital Hall: Orlando Quartet, Mozart, Beethoven (Tue). Hoffmeister Quartet. Mozart (Thur). Hoffmeister Quartet. Mozart (Thur). Armo (Orchester). Salle Gaveau (4562 6757). Edda Moser recital (Mon). Theatre de l'Atlenee (47426727).

Ensemble Orchestral de Paris conducted by Yan-Pascal Tortelier. Marielle Nordmann, harp, David Geringas, cello: Daniel-Lesur, Boieldieu, Haydn (Tue). Salle Gaveau (45626757).

Anne Quellelec, piano: Chopin, Scarlatti. Beethoven (Wed). Salle Gaveau (45632030).

Orchestre de Paris conducted by Leinsdorf with Dietrich Fischer-Dieskau: Mahler (Wed, Thur). Salle Pleyel (45610630).

Orchestre National de France conducted by Vaciav Neumann, Julia Varady, soprano: Lisat, Mahler (Wed, Thur). Theatre des Champs Elysees (47234777).

WEST GERMANY

Frankfurt, Alte Oper: Martha Argerich and Nelson Freire (piano duet): Mozart, Brahms, Rachmaninov, Debussy and Liszt (Mon).

The Milwaukee Symphony Orchestra, coaducted by Lukas Foss and pianist Ivo Pogorelich, Prokotiev and Beethoven (Wed). Castel-lo 77. (4354240).

New Japan Philharmonic, conducted by Seiji Ozawa, Saint Francis of As-sazi by Olivier Messiaen. Tokyo Cathedral. (Wed, Thur). (9458144; 571 [880]

aniel Barenboim; piano recital (Or-chestra Hall); All Beethoven pro-gramme (Tue). (2358111).

Continued on Page 21

# SIEMENS

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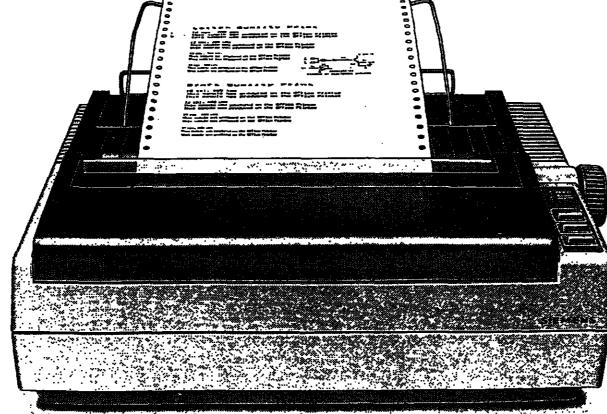
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### Cinema/Nigel Andrews

# A cod-colonial 'Love Story' in Africa

Out Of Africa (PG) Empire Ran (15) Curzon West End, Screen On The Hill, Gate Notting Hill Detective (15) Camden Plaza,

"I had a farm in Africa, at the foot of the Ngong hills . . . No book ever opened more simply and bauntingly than Out of Africa.

Karen Blixen's autobiography

cum-travel-book-cum-prose-poem is a work of such unforced. clusive greatness that it has kept film-makers at bay ever since it was published (1937). since it was published (1357). Now, through the peristence of producer-director Sydney Poliack (of Tootsic and The Electric Horseman) and the bankability of stars Robert Redford and Meryl Streep (who cost \$6m between them), Out of Africa has hit the screen.

has hit the screen. Hit it? Well, not really. More fallen on it from a great height and sploshed all over it. The and spiosised all over it. The darkly humorous Baroness Bixen (cku Isak Dinesen, the Danish-born author of Seven Gothic Tules) would surely smile hugely at the spectacle of Hollywood turning a masterpiere of crystalline wisdom and poetry into a sprawling equa-torial lovestory which could as well, for the most part, be about Armand and Michaela Denis as about Karen Biben and the great love of her African life, the huntin', shootin' and thinkin' Denys Finch Hatton.

In 20-odd minutes we whizz through the necessary story setting-up: Karen's marriage to Baron Bror Blixen (Klaus Maria Brandauer) in Denmark; the Blixens' buzzing off to Africa to take up coffee farming; the first encounter with the male charvinist world of colonial Kenya, epitomised by the famed Muthaiga Club. And then, allowattinaiga Cuin. And then, allowing for one or two minor interruptions in which scenes or
details from the book Itself
appear—the native boys aghast
at Karen's cuckon clock, the
culinary miracles of the young
Kikuyu servant Kamante—we
are off into a long, sudsy, fabulated romance between Karen
Streensen and Robert Finch

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Streepsen and Robert Finch Redford.
The movie's remantic centrepiece is a safari deep into the bush. Daytime encounters with lions and elephants alternate

with night-time conversations a deux, intimate but high-toned.

Continued from Page 20

WASHINGTON

National Symphony (Concert Hall): Michael Tilson Thomas conducting.

pianist Mozart Gershwin, Berg, R. Strauss (Thur). Kennedy Center

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mohta conducting, Gue-her and Sucher Pekinel duo pianos. Boulez, Mozart (Tue); Pierre Boulez

conducting, Phyllis Bryn-Julson sop-rano. Stravinsky, Debussy, Boulez (Thur). Lincoln Center (6742424).

Musica Sacra (Avery Fisher Hall): Ri-chard Westenburg conducting. All-Bach programme (Wed). (874 2424). Carnegie Hall: San Francisco Sym-phony. Herbert Blomstedt conduct-ing Claudia Aran alan. Warner

ing Claudio Arrau piano. Wagner, Beethoven, Nielsen (Mon); National Orchestra of New York. Enrique Ba-

tiz conducting, Gustavo Romero pia-no. Brahms, Revueltas, Elgar (Tue);

Opera Orchestra of New York. Eve Queler conducting. All-Smetana pro-gramme (Thur). (2477459).

Piano evening with Rudolf Buchbin-

ein. (Mon).
Bach's St John's Passion, Vienna Bach
Soloists and Albert Schweitzer
Choir. Musikverein. (Tue).
Vienna Symphony Orchestra conducted by Hubert Scudant with Mariana
Nicolegy. Symphon. Hein Meens.

Nicolescu, Soprano, Hein Meens,

Tenor, Margareta Hintermeier, alto.

Raval, Bruckner, Musikverein. (Wed

der. Haydn, Beethoven. Musikver-



Seene from Kurosawa's "Ran"

over a white-tablecloth-and-wine dinner under the stars. (We have not seen such cod-colonial safari nights since Carry On Up The Jungle)

Tension grows between the couple because Streep-Blixen cannot understand Finch Red-ford's flitting attitude to love. She wants permanency and mar-riage; he wants to be free to love her from choice, not

We (the audience) wish at several points during 2½ hours of watching Blixen's book vaporise into "Love Story Goes To Kenya" to be free of the movie. How it does go on. Streep, with black hair, pale swoony aquiline features and a parish account only panes could Danish accent only Danes could fault, does as much as any actress could o pump inner life and spirit into the pulp. And Brandauer imparts a multi-layer humanity to the ead who mar-ried Karen, then walked out on their coffee farm, then proved

to have infected her with syphilis. (As the proverb goes, With husbands like that. . . .) But what can we — or the over the ashen slopes where the — do about Redford? most of the movie was shot, and

There is no hint of a British account — perhaps he is related to the little-known Finch Hattons of Santa Moncia? The rootiess, flaxen-haired Galahad he presents (the real Finch Hatton was tall, thin, English and balding) is as inexplicably modern, American and shiny-charismatic as the Coca-Cola bottle which fell from the skies into the midst of an African tribe in The Gods Must Be Crazy. No wonder Miss Streep takes him for a god:

human beings do not under-stand they often deify; what they do understand they merely nominate for 11 Oscars. Ron, Akira Kurosawa's magnificent Orientalisation of King Lear, also comes in at 24 hours.

doubted: Kurosawa is a director who becomes godlike rather than gaga in old age. In Ran he has leant down

There is not a wasted second. Tere is proof of what we seldom

year-old warlord, Hidetora (Tatsuya Nakadai of Kagemusha), who in strife-form 16th-century Japan hands over his realm to the eldest of three the African tribe did the same with the Coca-Cola bottle. What sons. Only the youngest son protests against this gesture as a wilful old man's folly: Cordelialike, he is banished.

Western.

With the difference that Shakespeare's three daughters have changed sex, Ran closely follows Lear. There is a Kent, a Fool, a storm scene, a "poor Tom" and a tragic last-act convergence of reunion and death. The lack of a Gloucester subplot is made up for by the prancing, keening cruelty of the film's leading lady, Hidetora's daughter - in - law (Mieko Harada). This lily-white Gorgon with the sweetest simper and from the clouds over Mount Fuji, extending his compasses

high-flying pencil eyebrows re-

measured out a glittering tra-

gedy. The film is full of the elemental imagery and Heaven-challenging harshness we asso-

ciate more with Shakespeare's

plays or Michelangelo's paint-ings than with any film-maker

past or present, Eastern or

Kurosawa's "Lear" is a 70-

joices in severed heack and sudden death; undoubtedly she drinks blood for cocktails. Her own demise is apt and unforgettable: a giant spray of blood against a white wall as a sword cleaves the air and an unseen

neck is severed. But Ran is never merely a splatter movie for the art house. The long central battle scene, with Hidetora hunted by his own sons in a smoking castle while his followers fall to hailing arrows or the puff of mus-kets, is played like a danse macabre. Sombrely mesmeric music drowns all but the keenest sound effects until the music suddenly and abruptly clears— like the smoke itself—to show Number One son toppled from

his horse by the thump of a bullet, a flower of blood spread-ing in his back. There are only two major disappointments in the film. The mad scenes — Hidetora and his Fool amid white flowers on the mountain slopes—seem winsome and sentimental in Kurosawa's hands. (The Fool, played in quipping falsetto by a female impersonator called

Peter, is clearly an acquired

taste. I did not acquire it. And when Kurosawa relies on speechifying to punch up the film's cosmic rage or grief, all we get is much sub-Shakespeare rhetoric on the lines of: you gods, why do you mock

But the uncontrollable splendour of the images keeps burn-ing through the plainest surface. Masket fire spits like tongues of flame through a wall of smoke; luminous mists luxuriate over the lava slopes of Mount Fuji; white-haired Hidetora huddles in his castle, his face a stricken, tragicomic mask as arrows whistle all about; and the last shot, a lone

about; and the last shot, a lone figure tottering in silhouette on a broken, splintered skyline against a lurid sky.

It suggests, along with Kurosawa's shots of menacing cloud formations strewn through the slim that this is a personnel or the street of the street of

Goodness knows for what age group Jean-Luc Godard's Detective is intended; the second childhood of avant-garde French directors, I suspect. We are in a multi-character Paris hotel with Johnny Hallyday (boxing promoter), Laurent Terzieff (detective), Jean-Pierre Léaud (detective's nephew), Claude Brasseur and Nathalie Baye (married couple), Alain Cuny (Mafia person), and many other distinguished French stars with

time on their hands. There is not what you could call a plot: more a Grand Hotel of subplots, involving such everyday Godardian matters as robbery, blackmail, nudity, voyeurism, sudden squawks of string music on the soundtrack, literary name-dropping (from Carroll to Conrad) and quotes from old movies. And of course talking. "This is not one of talking. those little French films," says a character, "where the characters think talking is thinking."

Oh yes it is.
Once or twice I thought I espied a theme, much as a birdwatcher after a long vigil in the freezing dawn might think he espied a rare bird. But either I was wrong or it flew away before identification. "History keeps repeating itself, it's one long summer," says another character at another

point. Même - if I may be

permitted to say so—le cinéma de M Godard.

## Mahagonny/Scottish Opera

### **Andrew Clements**

To anyone who saw Mazeppa when it was staged at the Coliseum last season, the land-scape of David Alden's production of The Rise and Fall of the City of Mahagonny for Scottish Opera will seem all too familiar The flat, harsh lighting, the tattered, throw-away sets (designer, David Fleiding) littered with debris; above all the plethora of irrelevant and

inconsequential gestural detail.

whose significance to the opera in question has to be teased out slowly, if ever at all. It is a treatment that comes strickly off the peg, and which could be used with the minimum of tailoring for any number of scenarios. In Mazerna the concept was at least given a consistency, whether or not one thought it necessary or indulgent — Chaikovsky's tale of power politics was given an authentic 20th-century relevance. But Managonny has all the contemporary relevance one could possibly want, and in any case Alden's glosses seem consistently to be geared to illuminate one could possibly want.

film, that this is a post-nuclear Lear, a Ran as much for the age of modern Tridents as ancient Titans. sistently to be geared to illumi-nating subsidiary issues, per-haps he too realised that Brecht and Weill's original still packs

a more powerful punch than anything he could contrive. But there is a dramatic proolem to be surmounted in Mahagonny, and it is one that this production fails to address with any conviction. The mix-ture of musical satire and straight-faced Teutonic opera (all those grinding chorales!) is a hard one to pace: the intrusions of the narrator alienate in every sense of the word and make a coherent dramatic thread difficult to sustain; the humour should be black and profoundly shocking. But under Alden all these crucial elements are allowed to

trates on details that distract, perplex and irritate in equal We begin with one of the

the stage trips Felicity Palmer (Mrs Begbick in the opera proper) with Thatcherite wig and blue two-piece to give a cookery demonstration, which breaks up in confusion as Fatty (Alexander Oliver) and Trinity Moses (Eric Roberts) arrive. and the opera as we recognise it begins. Seven or eight minutes are diverted to padding out this joke, which must have

been totally lost on 90 per cent of the audience. By the end of Act 1 the tricks began to blur into one another. and one ceases to wonder upon their significance. The Alabama Song is delivered to a slow, coy striptease and the lumberjacks arrive in town on roller skates and sporting SAS-style masks. The girls parade with hula hoops while Mrs Begbick discusses terms with the men; later she fills a blackboard with trigonometry while Fatty crosses the stage on a barrel. In fact Acts 2 and 3 are more straightforward; sometimes there is hardly anything to watch, apart from the intrinsic and unfailing ugliness of the stage pictures, though piles of shoes invade the courtroom scene—echoes of the Welsh Berghaus Giovanni....

Some worthwhile performances on the puriod the

ances can be prised out of the mire. Miss Palmer's Begbick is an assured, dominating presence with an acid-edged tone pertinently applied; Oliver makes Fatty a sinister, omnipresent figure, while Robson's Moses is suitably reptilian. Kate Flowers is a plausible Jenny, though perhaps with a voice that seems too obviously operatic in its sweet way; Richard Cassilly's big, coarse tenor seems out of focus in the context of this conception of Jimmy Mahoney. Sian Edwards obtains fine and alert playing from the Scottish Opera Orchestra, though she treads the line between opera and musical with more assurance in some places than in a far better dramatic framework for their efforts than the one

make their own way through the opera, while he concen-

# most fatuous examples. Brecht for their efforts than the one once dimissed Mahagonny as a with which they found them"culinary opera," and so on to selves burdened here.

La vera costanza

### Max Loppert

choice of Haydn's dramma taut — as taut, at least, as giocoso as the latest Royal Col- Haydn and his librettist will lege of Music Opera School pro-duction at the Jeannetta Coch-rane Theatre might seem odd, lation, of variable quality but because the work proposes per-formance difficulties in just Richard Burgess Ellis). those areas where students are It was in the pit, however, likely to demonstrate greatest that the richest source of vita-

are well aware, it is musically enthusiasm and also sharp control, studded with two magnificently strong and shapely actions and any number of sound of the student orchestra delightful melodies and heart- was a delight hardly marred by lifting instrumental inventions passing fluffs). He obviously in between. But it is dramatic- loves the music—he sings much ally quite uninteresting—a tale of it as loudly as Toscanini used of "true constancy" that works in similar circumstances to sing largely in circular motion, and Beethoven and Verdi — and he whose shallow, tortuous psychoof real musical profundity it is apt to inspire. Just the kind of work, in other words, with stylistic poise and maturity of heroine Rosina (the victim of musicianship as its highest real the plot's dreay slings and all the plot's dreay slings and approximately and its in the plant of the semi-seria all the plot's dreay slings and all the plot's dreay slings and approximately a

The spate of London student at and cast with voices largely opera continues, ever more rewell matched to their parts, wardingly. On the face of it the the main lines of the work stay

inexperience.

As those who have learnt the work from the Philips recording rington conducts with passionate logical motivation is hard to same despite the disadvantages

musicianship as its nighest requirements—and it is in the provision of these that students normally fail conspicuously.

But this RCM undertaking, given in conjunction with the Cameron's light, fluent singing cameral. Central School's Theatre gave little hint of incapacity. Design Department (who have Even more striking talent was come up with the very attrac-tive period-theatre-style sets), Wilson (to whom falls the im-is conspicuously successful. Not probably volatile object of totally so: the producer, Kay Rosina's "costanza") and the is conspictionsly successful. Not totally so: the producer, Kay Rosina's "costanza") and the Lawrence, has encouraged the buffo baritone to slip into doddery-fey routines that his stage technique is unable to assee through (and that are not in the least worth bringing off totally so: the producty volatile object of Rosina's "costanza") and the costanza" and successful to successful to the producer, Kay Rosina's "costanza") and the costanza" and the costanza" and the costanza in the least worth bringing off totally so: the producer, Kay Rosina's "costanza") and the buffo but with a voice already stage technique is unable to smooth). Of the others, Helen Edwards and Michael Law earn in the first place). But, because a particular mention. Repeated the production is good to look on Saturday.

# When We are Married/Whitehall

### Michael Coveney

represented by a keen writer (dynamically played by Peter Revolution mercantile big-wigs in the West Riding is a stan-Bourke to atone for the characdard item in the repertoire; ter's early bath) and the Falstaffian alcoholic photo-grapher Henry Ormonroyd, a Ronald Eyre's superb produc-tion for Ray Cooney's Theatre of Comedy rescues it both from village hall pantomime and vised by the late Fred Emney (in a cast including Peggy National Theatre piety (I can hardly remember who played (in a cast including Peggy what on the South Bank—spart Mount and Hugh Lloyd) and from Harold Innocent).

In some ways, the show contradicts its new surroundings Bill Fraser. The chapel organist has been late with his Messiah and talked about for his night. and Attic friezes in the stalls
—the decorations of Marc Henri
and Laverdet have been
gorgeously renewed by Felicity
Youett. Priestley is basic, not
decorative. But this borne.

decorative. But this home of them all 25 years ago was un-Worm's Eye View and the Rix/ qualified for the task. The situa-Cooney Whitehall farce tradi- tion, as opposed to plot, thickens with the arrival of Patsy Rowlands's Blackpool floozy—a knee-occupying Doll to Fraser's suddenly rejected fat knight in tion is an ideal one for ensemble playing, and an expert cast has a field day bouncing the comedy around the cool and midnight blue auditorium.

Priestley here was lighting a few fireworks under the new atmosphere of domestic recrimisuburban prosperity in the guise of a perfectly organised and

TOKYO

Kabuki (Kabuki-za): Morning and

evening performances feature main-ly younger stars in a miscellany of

ly younger stars in a miscellany or dances and popular short plays. Temasaburo Takao also appears. Excellent English programme notes and earphome commentary. Kabukt-za Theatre, near Ginza. (5413131). akarazuka All-Girls Revue. This phenomenon, the antithesis of Ka-buki where all the roles are played by cirls but with typical Jananese

by girls but with typical Japanese innocence and earnestness, is a

innocence and saturations. It is must for visitors. Takarazuka perform elaborately staged and skilled musical adaptations of both Japanese and Western plays – also revies and standard musicals.

Highly improbable plots are more than commencated for by spectacu-

than compensated for by spectacu-lar stagings and hug casts. Detailed English summaries in the pro-

gramme - in case the original story

is altered beyond recognition. Ta-karazuka Theatre, near Ginza and

main hotels. Afternoon and evening

WASHINGTON

The Wild Duck (Kreeger): Romanian director Lucian Pintilie follows his

production of Tartuffe with the Ib-

sen classic, again using the stun-ning set and costumes of Radu and

Miruna Boruzescu. Arena Stage

**NEW YORK** 

performances. (5911711).

(488 3300).

**Theatre** 

The Whitehall's herself again, crafted popular entertainment, ing, and its joy, lies not just in correctly woven into the play-restored to an approximation of art deco "dream of black and silver" of 1930 and a home for hearing comedy. Priestley's Councillor Parker, Mister Herlings allver wedding party for the second generation industrial spouses. The local paper is carries in her regal demeanour, Fraser stumble on some crucial ing, and its joy, lies not just in correctly woven into the play-restored to an approximation of the house of Alderman Hellings. Whereas Peggy Mount was a perfectly hilarious battle floozy, for instance, comes up fresh, school of Coward and better the second generation industrial spouses. The local paper is carries in her regal demeanour, Fraser stumble on some crucial ing. The reminiscent crossed wires of photographer and decorrectly woven into the play-restored to an approximation of the house of Alderman Hellings. Whereas Peggy Mount wires of photographer and decorrectly woven into the play-restored to an approximation of the house of Alderman Hellings. Whereas Peggy Mount was a perfectly hilarious battle floozy, for instance, comes up from the following party for best Soppitt and their respective Soppitt, Elizabeth Springs. status and be subsequently dis-appointed. The gentility jostles (" uncomfortably against the au

> It is the same with Patricia Routledge's magisterial display as the Alderman's wife, a prolonged and agonised wincing stagger of a performance that stops the show on the hypocriti-cal righteousness of a line like "I'd go up to bed now and lock my door if I didn't think I'd be missing something."
> Patricia Hayes, who played the maid in 1938, returns to the

coarseness.

piece as the vengeful gossiping daily Mrs Northrop, James Grout is marvellously puffed up and sonorous as the Alderman, Brian Murphy delightful as Soppitt, the worm who turns under the delusion of freedom, blossoming to full stance and gesture after early tentative sprung jumps on the back of The sentiment of the piece is

Eliot's children's poetry set to tren-

dy music is visually startling and choreographically feline, but classic

only in the sense of a rather staid and overblown idea of theatricality.

(239 tax2).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Stuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. [977 9020].

Brighton Beach Memoirs (46th St): The first instalment of Neil Simon's mix of memories and jokes focuses on a Depression era Jewish house-

hold where young Eugene falls awk-

Chorus Line (Shubert): The longest-

running musical ever in America has not only supported Joseph Papp's Public Theater for eight

years but also updated the musical genre with its backstage story in which the songs are used as audi-

tions rather than emotions.

La Cage aux Folles (Palace): With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the

French film manages, barely, to cap-

ture the feel of the sweet and hilar-

ious original between high-kicking

and gaudy chorus numbers. (757 2828).

I'm Not Rappaport (Booth): In moving

to Broadway, Herb Gardner's touch

ing, funny and invigorating play about two oldsters retains its stars,

Judd Hirsch and Cleavon Little, who

wardly in (221 1211).

(239 6200).

poise, an entire story of what trar?) Forgotten outings in it meant to marry for social wagonettes, the horror of desiration and he subsequently. wagonettes, the horror of down-ing port on top of the tea ("You'll be poorly"), all is as authentic as Miss Rowlands' piano accompaniment for "Just a Song at Twilight."

But the onstage marital

honours must be shared by Timothy West and Prunella Scales, for whom 25 years has been enough. Miss Scales emanates a threatening spinsterish calm behind small spectacles before delivering her coup de grace in reply to the query "What's wrong with me?" Nothing, except that old hair plastered hopefully across a thrusting pate, reacts explosively; he has always thought of himself as being inherently exciting. This is matchless comic playing. The evening I found to be a joy from start to finish.

Big River (O'Neill): Roger Miller's mu-sic rescues this sedentary version of

Sat rescues this sedemary version of these Finn's adventures down the Mississippi, which walked off with many 1965 Tony awards almost by default. (246 0220).

LONDON

The Scarlet Pimpernel (Her Ma-jesty's): Donald Sinden in resplen-dent plummy-voiced form as Baron-

dent plummy-vaced form as Baron-ess Orczy's one-man resistance movement to the French Revolu-tion. Opera director Nicholas Hyt-ner's efficient and sparkish produc-tion has smoke, tumbrils, rat strw and rolling heads. (330 4025).

As You Like it (Barbican): Much improved since last year's Stratford-upon-Avon season, Adrian Noble's loosely Edwardian production now

emerges as a secret-garden adven ture where Rosalind (Juliet Steven-son) has the sisterly devotion of Cel-

ia (Fiona Shaw) threatened by Or-

lando (Hilton McRae). A superb Jacques from Alan Rickman. The RSC Barbican repertoire also in-cludes a fine Othello with Ben

Kingsley and, in The Pit, Christo-pher Hampton's absolutely breath-

Liaisons Dangereuses (628 8795). Noises Off (Savoy): The funniest play for years in London, now with an

improved third act. Michael Blake-

more's brilliant direction of back-

stage shenanigans on tour with a

third-rate farce is a key fector.

(con cool).

Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg
movie magic, an exciting first half
and a dwindling reliance on

taking, unmissable version

(838 8888).

# Murail & Saxton/Elizabeth Hall

### Dominic Gill

As well as Messiaen's Instru- condensed score and far more mental hymn to the birds of exciting, that seems to contain Japan. Sept Haikai, and Luigi virtually no redundant gesture. Dallapiccola's wartime copolation on the opening page the music coro for planes, harps, percusmoves from darkness, suddenly, sion and choir, Canti di accelerando, into light, and stays Prigonia, the London Sinfoni- there. It has a loyous moveetta presented two new works ment, excitable, lyrical, that is on Wednesday in the BBC's always firmly underpinned—Music of Eight Decades series. most often by an urgent rhyth-Tristan Murail's Les Courants mic logic. It is in many ways de l'Espace was new only to Britain. It is very much a the work that we were waiting for from Saxton: the first major dramatic explosion, uninhibited French genre-piece, an instruand exhibitating, from a talent that has been restrained, self-contained, for too long. I look mental tone-painting delivered

with a concise technical grasp of the medium, but with little else. The means and theories employed to produce this kind of music are often different: but one virtuoso catalogue of sound-effects is not fundamentally very different from another. Les Courants contained some nice big, lapping sonorities, and one or two pleas-ing exchanges between treated (amplified, ring modulated, fil-tered) ondes Martenot and wind or strings. But 22 minutes of this sort of thing is really over-indulgent.

The premiere of Robert Saxion's new chamber sym-phony The Circles of Light was a more absorbing affair. Shorter by some five minutes than the Murail, it is a more powerfully

indiscriminate rushing around. Dis-neyland, Star Wars and Cats are all

influences. Pastiche score nods to-wards rock country and hot gospel. No child is known to have asked for

his money back. (834 6184). 42nd Street (Drury Lane): No British

equivalent has been found for New York's Jerry Orbach, but David Mer-

rick's tap-dancing extravaganza has been rapturously received.

(836 8108). armm (Victoria Palace): Michael Crawford with his breathtaking per-

formance as the circus impresario, adding one or two new tricks in a likeable meringue of a musical. (8341317, credit cards 8284735).

Guys and Dolls (Prince of Wales): The

Richard Eyre's production and John

Gunter's affectionately lavish designs complement this most joyful

and literate of musicals, a fitting

tribute to the recently deceased co-librettist Abe Burrows (930 8681).

Terch Song Trilogy (Albery): Antony Sher plays Harvey Fierstein's four-hour triptych of the life and loves of

a drag queen fighting for emotional and domestic stability. Truthful playing has the effect of cruelly ex-posing Fierstein's tackily uneven writing. (836 3878).

Gigi (Lyric): Unconvincing stage reviv-al of Lerner and Loewe's film fol-

low-up to My Fair Lady, Beryl Reid rising inimitably above the materi-al, Jean-Pierre Aumont and Sian

Phillips lending more conventional support. John Dexter directs, Joce-

the diplomats, according to Ronald

Harwood has a superb role for the matchless Maggie Smith renewing a

lyn Herbert designs. (4373686). Interpreters (Queen's): Love among

### David Aukin to join the National David Aukin, at present direc-

soon: the piece would be a worthy addition to the Sin-

fonietta's regular repertory.

forward to hearing it

tor of the Haymarket Theatre, Leicester, is to join the National Theatre on September 1 in the newly-created appointment of executive director.

He will share with Peter Hall

the responsibility for overall direction and management of the NT, although Peter Hall will remain the NT's chief executive.

# cross-cultural affair with Edward Fox in the shadow of a summit be-tween The Soviet Union and Brit-ain. Fluent direction by Peter Yates of the West End's best new play of

ennon (Astoria): A not too critical celebration of the life and music of John Lennon that is enjoyable espe-cially for the musical resourceful-ness of the cast and Mark McGann's

the year. (734 1166).

Are You Lonesome Tonight? (Phoenix): More musical hagiography with Alan Bleasdale's Elvis Presley show using flashback and excellent live recreations of the rock and roll hits to explain how Martin Shaw's magnificently wrecked and flabby King in crushed velvet jumpsuit has reached this pretty pass. Exploitative, but not strictly for tourists. (836 2294).

Les Miserables (Palace): Notably well sung and spectacularly produced rock opera from the Nickleby and Cats team of Trevor Nunn, designer John Napier and lighting man David Hersey, Colm Wilkinson superb as Jean Vallean. A melodramatic distillation of Hugo, and none the worse for that The French score is rousingly melodic, with serviceable new lyrics from Herbert Kretzmer.

Blithe Spirit (Vaudeville): Excellent rewoollens and psychic research from South London. (836 9987).

vival of Coward's eternal triangle comedy, notably well costumed and lit, with Jane Asher and Joanna Lumley fleshy and ethereal foils to Simon Cadell's sexually threatened suave novelist. Marcia Warren is a fine Arcati, a serious amateur in

### Saleroom/Antony Thorncroft

### For relieving Ladysmith

the time of his death in 1912 awarded to Major General he had amassed seven sets of Simon Fraser of the Royal post nominal letters, as well as Marines who served in the his Field Marshal's baton.

Syrian campaign of 1793 and in the Crimea over 60 years later. family dispersed his medals and decorations for £60,500, the

anticipated sum. Fortunately they were acquired by White's Phillips textiles and costumes old regiment, the Gordon High-landers. His greatest claim to early 18th century ladies shoes fame is that he was command- sold for £950 and a similar pair ing officer at Ladysmith during from the late 18th century for the four month siege by the £900, both way above forecast. Boers in 1899-1900. He was well into his sixties at the time and was lame, which, as he pointed Duke of Wellington's drawers.

The morning session at one of the best medals and decorations auctions organised by the possession of the Duke's Sotheby's totalled £96,354, with close friend, Lady Salisbury.

Sir George White accumu- just 2.1 per cent unsold. Baldsir George white accumu-lated in his 77 years probably more honours than any other Englishman, bar members of the royal family: a remarkable achievement for an Ulsterman from Whitehall, Co Antrim. By

A coverlet of Fortuny velvet.

patterned with flowers and birds, doubled its estimate at On May 20 Sotheby's is selling Alan Ladd's suit and the out, would prevent him from They are part of a general running away.

They are part of a general sale, which ranges over toys. sale, which ranges over toys, His reward for his achieve- mechanical music and textiles ment at Ladysmith was the There is quite an extensive Governorship of Gibraltar. He wardrobe of the Iron Duke's had received a VC for his underwear, most carrying his bravery in Afghanistan in the monogram. From the same late 1870s, and in 1903 he source comes two locks of his accumulated his Field Marshal's hair, taken before and after his baton, followed, in 1905, by the death, and a well preserved service sheet for the wedding of

Queen Victoria in 1840. All

WORLD STOCK MARKETS

almost conquer the world when they think they are just bickering with each other. (239 5200). Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S.

CHECK EVERY DAY IN THE FT

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Friday March 7 1986

# Time to slow **US** arms costs

THE US administration and the Congress are now launched on what promises to be a heavy struggle over the fiscal 1987 budget, with both sides seeking to shift responsibility for the inevitable cutbacks to reduce the deficit. At the ceutre of this struggle will be the defence budget, for which President Reagan is seeking another very large increase in funding, in the hope that the cutbacks can be concentrated on domestic programmes. In a mid-term election year, this is entirely unrealistic; moreover, the administration's approach is unlikely to deliver coherent benefits to America's defence posture. It would be better for the Pentagon request understates the true costs by about \$15bn.

Critics have claimed that the administration has deliberately inflated its defence budget request, in order to provide the Pentagon with the maximum insurance against eventual cuts imposed under the Gramm-Rudman which would exact reductions across the board, equally in defence and civil programmes. The constitutional status of key provisions of Gramm-Rudman will remain in doubt until the Supreme Court pronounces later this year; but even if the automaticity of budget cuts is struck down, the law will still require Congress to reduce the deficit by a large amount.

time. But the mood has changed.

Not merely is there no conclusive evidence that this is what is brought the Soviet Union back gress reach coherent and endurate to the negotiating table in Geneva it can have had little or nothing to do with the choice of a dynamic new Soviet leader should be provided." It prowhose apparently flexible and conciliatory posture has gone conciliatory posture has gone way to mitigate the previous sense of international establishment. "Today, there is no rational system whereby the servicial executive Branch and the Congress reach coherent and enduring agreement on national military strategy, the forces to carry it out and the funding that should be provided." It proposes a number of reforms, including congressional approval five-year defence plans, a vious sense of international vivo-year defence budget cycle, some way to mitigate the previous sense of international danger. This is not a time to be crying wolf; it is out of phase with events, and may even make more difficult the prospects for arms control.

Moreover, Mr Caspar Weinberger, the Defence Secretary, has undermined his own credibility by transparent attempts to fudge the figures. He claims that his \$311bn request represents merely a 3 per cent real increase, in line with a long-standing Nato commitment. It increase, in line with a long trans-Atlantic relationship standing Nato commitment. It easier. If the administration is may be 3 per cent more than forced to settle for level fund-he originally expected to get in ing, European governments can fiscal 1986 but after cutbacks expect renewed complaints that made by Congress, it represents they are not bearing their fair

tration's approach is unlikely to deliver coherent benefits to America's defence posture. It would be better for the Pentagon to curb its voracious appetite within more plausible limits, and to give some evidence that it is capable of reforming its lavish procurement methods.

The President has argued, yet again, that a continued defence build-up remains essential in order that the US can negotiate with the Soviet Union from a position of strength. This cry has been heard so often that it ceases to carry conviction. During Mr Reagan's first term there were substantial real increases in defence spending, to the point where it now accounts for about 7 per cent of US GNP, significantly higher than the majority of the Nato allies.

Later this year; but even if the automaticity of budget cuts is screated automaticity of budget cuts is Socialists' later-day conversion to Nato.

The lus, West Germany, Italy, Belgium and the Netherlands are all understood to have urged Spain not to hold the referendum—the first time an ally has put its membership to a direct vote. So why did Mr Gonzalez box himself into this corner?

When Spain became a member, many people felt it was "joining for nothing"—without, for instance, any certainty at the time as to whether it would succeed in gaining entry to the EEC. The Socialists were defictle by a large amount.

Later this year; but even if budget cuts is struck down, the law will still require Congress to reduce the defict by a large amount.

The US, West Germany, Italy, Belgium and the Netherlands are all understood to have urged Spain not to hold the referendum—the first time and of the day the administration of the persures at the end of the day the administration of the season of the pressures at work, then it must be irresponsibility in the chief of the consequence is liable to be an abnegation of responsibility in the consequence is liable to be an abnegation of responsibility in the consequence is liable to be an abnegation of responsibility in the consequence is liable to be an

There may well have been a reasonable case for the rearmater programme, and it was certainly what the public mood in America demanded at the time. But the mood has changed.

Not merely is there no conclusion. of five-year defence plans, a two-year defence budget cycle,

a real increase of 8 per cent; share of the Nato burden, and furthermore, the Congressional renewed pressure to increase Budget Office calculates that the their own defence effectiveness.

In "The Dangerous Summer," published last year, 25 years after his death, Hemingway wrote of the real-life rivalry of two bullfighters in Spain in 1959, and the way they would try to establish their superiority by letting the bulls' horns pass closer and closer to their bodies. He did not spare the description when they passed too close. There is something of the same recklessness in Mr Felipe Gonzalez's determination to go ahead next Wednesday with a referendum on whether or not to keep Spain in Nato. Since the Prime Minister brought his Socialist Party around to a qualified pro-Nato stance, the Spanish Congress is about 95 per cent in favour of staying in. By maintaining his old promise of putting it to the popular vote, Mr Gonzalez seems to be tempting fate.

seems to be tempting fate.

This is not the first time Mr Gonzalez has diced with death. In 1979, three years before coming to power, he stood down as leader of the party over the issue of its remaining ties to Marxism, only to be triumphantly re-elected a few months later. After that first big gamble—essentially persuading a party of Marxist tradition to ditch that part of its doctrine—he is now taking a second and possibly riskier one in trying to persuade a neutrally-inclined country to endorse the Socialists' later-day conversion to Nato.

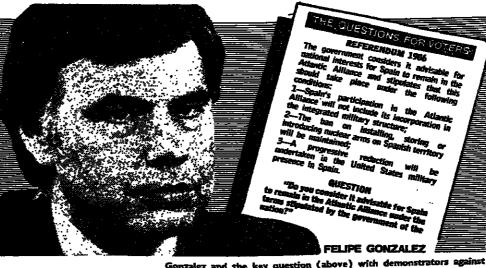
with Spain already in, they were retreating from their anti-Nato position, but not fast enough. Mr Gonzalez knew already he did not want to pull out, but the referendum pledge included in the programme was still interpreted as a referendum to leave the alliance.

Maintaining the vote is the

Maintaining the vote is the only point of consistency between the Socialist position five years ago and now, other than the argument that Spain should the argument that spain should avoid rocking the East-West boat (used then against joining Nato and now against withdrawing from it). Socialist leaders also say they want to give a democratic foundation to Spain's decision to be a member, an issue which set parliament at clear odds with

were clearly in the majority — but not on whether this switch

Spaniards vote on Wednesday in a referendum which will probably decide whether the country stays in Nato. David White reports from Madrid



# Gonzalez goes for his biggest gamble yet

bears down on him, Mr Gonzalez has been showing some tricky work with the cape. He has hinted to the allies, for example, that a re-elected Socialist or Socialist-led government would somehow be able to recover the situation and protected the situation and sit prevent the Western camp's first defection from taking place. But his message to the Spanish public is the reverse: the government will obey the voters' orders to the letter, and so the voters had better take the referendum seriously.

adverse than his advisers expected has tried in the last few where the party, now in an days to play down the prospect agree on a progressive increase adverse than his advisers exin the "yes" vote against the "noes" — at the time Spain days to play down the prospect joined Nato in 1982 the latter and not to tie his own future

to the outcome. Under Spain's 1978 constitu-

ment's say-so. It would also call Alternatively, the Socialist elections, which were due any- Party would take the popular

This means that the Government would feel obliged to denounce the Nato Treaty electorate by obtaining the (Treaty of Washington), for which it would require parliables.

### Socialist planners admit to the use of 'a certain calculated ambiguity'

rely on support from one or more of the centre parties.

From that moment, two but not on whether this switch has enough momentum to carry the referendum for the government. The main conservative opposition party has made the outcome utterly unpredictable by calling on its mostly proposed by Calling on its mostly proposed

ting on Nato committees, Spain of sensitive Western technology, m order not to lose US investments in advanced electronics.

Win or lose, the Government has made some gross errors of judgment. First, it seriously

occasion. The level of abstention could be the determining factor.

As the bull of a possible "no" on him, Mr do the opposite."

As the bull of a possible "no" on him, Mr do the opposite."

As the bull of a possible "no" on him, Mr do the opposite."

Constitution could be the determining to campaign chief, puts it, once a win, but we didn't really lose, referendum has been held "a democratic government cannot democratic government cannot do the opposite."

Constitution and Socialist margin for arguing: "We didn't really lose, of this emerged during President Reagan's visit last May.

Rooted in US support for the elections by rescinding its withworld war ties, and resentment of the US role in Latin America from the last century to the present, it is the first time this diffuse anti-American sentiment has made a political impact. It has been the vehicle for a revival of the extra-parliamen-

that the referendum is good for revival of the extra-parliamentary left, also underestimated by the Socialists. (Parliamentary opposition to Nato is limited to the depleted Communist Party and tiny regional left-wing parties.)

Second, the Government did not reckon with the number of voters who appear determined to vote "no" to Nato just to "punish" the Government for acting high-handedly and for failing in its promises to bring jobs and income gains. And the man parties of their union and youth movements behind them. On the right, there are signs of revolt against Mr Fraga's abstention stance. Voters of both Left and Right feel suddenly disoriented. way in the autumn, at the earliest opportunity, probably in June.

What would happen from then would depend on the platform the Socialists adopted on Nato in the light of the referendum result, and on the distribution of seats in the new congress, Conservative leader. The commight stay in Cocom, the mon ground Mr Gonzalez organisation which vets exports wanted to establish with Mr Fraga on the Nato issue fell so far. This weekend he may away when they clashed over the question of integration in the state of the solution of the state of the solution in the solution of the solution in the solution of the Nato military command structure — a process frozen by the Socialists the moment they took office and due to remain at point zero if they win the

This leaves the Socialist Party in an uncomfortable and paradoxical position, out on its own.
If Spain does quit Nato it will be largely the doing of the Right which has always been in favour of membership. The situation has the makings both of a classical tragedy (in which the hero is brought down by a fatal flaw of hubris) and of a Whitehall farce (in which everyone runs back and forth slamming doors and getting into the wrong beds).

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Socialist planners admit the party used "a certain calculated ambiguity" on Nato following its arrival in power in 1982, six months after Spain joined the alliance. The party has taken five years to change its mind on Nato, and has left the conversion of its plants the land version of its voters to the last

One argument it uses to defend Nato is that withdrawal would hit exports and investment, which depend 75 per cent on Nato members. It emphasises the European side of Nato as an alternative to bilateral defence ties with the US; it can sell the alliance only on the basis of strengthening links with Europe.

The nostalgic extreme Right has probably done Mr Gonzalez a favour by joining the "vote no" camp, since it provokes more antipathy than it carries

Many army officers, xeno-phobic and set in their ways, were opposed to joining Nato in the first place, although they may equally dislike the idea of a government of the Left taking Spain out. One of the original arguments which the previous centrist administraprevious centrist administra-tion used for joining was to take the armed forces out of their "ghetto" and give them a new external mission. Nato provided a pretext for embarking on military reforms.

Nobody knows how the army would actually vote, since a planned opinion poll on the issue was stopped. But rather than the present situation, the military would doubtless prefer to go the whole distance and be fully integrated in the alliance. On the other hand, non-integration has some compensations. From an alkied view-point, it at least avoids arguing about the distribution of commands. From a Spanish view-point, it allows defence spending to be concentrated on the southern flank where the perceived threat is greatest. But it remains to be proved that the referendum is good for

recent interview, talking of his about turn on Nato. When it comes to political feel, however, his wisdom has never failed de Gaulle's 1969 referendum on underestimated the vigour of at point zero if they win the anti-American feeling in Spain, which underpins the whole antiwhich underpins the whole antistaging of the referendum.

\*\*Reisky's 1978 referendum on nuclear energy, when the "noes" also won. Referendums the "noes" also won. Referendums.

# Alternatives to imprisonment

THE British Government is lawyers in multi-defendant constructing one of the largest cases, where the right of each criminal justice bills ever to object to three jurors has brought to parliament in a way which misses one of the most pressing points: UK imprisons more people both in absolute terms and in proportion to its random nature of juries indipopulation than any other major cates that it is more of an country in Western Europe except Turkey. This remains the case if all the Northern Ireland statistics are excluded.

This is so shaming a reflection en Britain's sentencing policy that the failure to address it overshadows the many sensible reforms suggested by Mr about the key suggestion of Douglas Hurd, Home Secretary, in the legislative plans pub-lished yesterday. Indeed, it is surprising that many have not been included in previous Criminal Justice Acts the last of which was in 1982: making compensation a legal right for victims of violent crime, widening the maximum corruption sentences beyond the narrow confines of public contracts, and indexing maximum fine levels to annual increases in the inflation

rate.
There is real public concern ticians need to tread slowly and warily in trying to respond through legislation, whether by raising maximum penalties of doubtful effect or by trying to prevent lenient sentences,

Challenge

The plans are at their most controversial where they concern changes to the rights of the defendant. The tendency seems to be to give law precedence over justice—the plans for juries, still "green" and open to comment, for instance. Defending counsel can currently challenge up to three rently challenge up to three jurors without reason, a small but valuable right for defendants who might not want, say, an all-male or all-white jury. The Government asks for ideas on fine enforcement while dismissing an approach which a civilised and effective solution as randomly as the first 12 so for both defeats.

to object to three jurors has to object to three jurors has led to entire juries being Merrill Lynch Capital Markets removed, are a greater cause for concern. But even here the called the resident intellectual administrative nuisance than a threat to fair and just trials.

Mr Hurd gives a welcome indication that many of the recommendations of Lord Rosreplacing juries with panels of expert assessors in complex fraud trials.

### Defaulters

The White Paper is at its least convincing in its approach to custodial sentences for young people and the problems of fine

Detention centres are half empty and youth custody centres are overburdened. Thus the plan is to use detention centres for youth custody. But it must be asked whether any-one under 18, let alone under

Similarly, the faster the Gov-

Replacement jurors are drawn as randomly as the first 12, so nothing may change, but the challenge is a right which ought to be left in place until there is an overwhelming case for changing it.

The behaviour of convicious in other countries has proved a civilised and effective solution for both default and many imprisonable offences—weekend and part-time prison which deprives an offender of valuable freedom without ruining his changing it. The behaviour of capricious work and society.

### Merrill lures von Clemm

Michael von Clemm, who was of the Eurobond market. The Harvard and Oxford educated banker will thus be bringing more than a bit of brain to the brawn of the "Thundering Herd."

Fey bankers in the Euromarkets have quite the same depth of professional ex-perience. Among other accom-plishments, von Clemm's curriculum vitae lists a spell as a crime reporter on the Boston Globe, a professorship at Har-vard Business School and anthropological research in Indonesia. He is also a noted gourmet, and chairman of Roux Brothers, owner of Le Gavroche, one of London's top French

restaurants.
When you Clemm suddenly resigned as chairman of Credit Suisse First Boston in January. nobody guessed that he would shortly reappear at Merrill Lynch, the company's arch-rival in the Eurobond market. After



Tendency

and Derek Hatton surts, I

"Militant

### **Men and Matters**

stage, he was even touted briefly as a possible president of the World Bank in succession to the outgoing Tom Clausen.

Now, it appears Merrill made

von Clemm an offer he could not refuse. The broad reach of Merrill in retail as well as wholesale business, and in equities as well as bonds, is an obvious attraction. Cynics would say that after a tremendous run last year, wholesale bond business is not enough "Global markets" is the buzz phrase now. Merrill's world-wide network makes it ideally

### Right turn

Morgan Grenfell, the once sleepy merchant bank which lately has been forging ahead in the City of London's corporate finance stakes, aims to burst upon the French financial scene

The bank is biring Jean-Pierre Souviron, a leading French industrial pundit with strong connections with the Right Wing opposition, to take over as chairman of its five-year-old Paris subsidiary later this

month.

The timing seems to be impeccable. Morgan Grenfell has played its part in Mrs Thatcher's privatisation moves during the last few rears.

In France the bank has been discreetly discussing for several months the problems involved in managing a wholesale denationalisation of French state-owned companies and banksomething promised by the Right if it wins power, as widely expected, in the March 16 general elections.

Souviron has been with the general elections.

Souviron has been with the British Royal Family.

Matra electronics group in the Bond may feel that his sup-

eight years as chairman of last few years. He won his CSFB, it was assumed that he spurs in the closing years of the administration of President thing different to do. At one Giscard d'Estaing as head of industrial affairs at the industry ministry.

### **Britain's Bond**

Twelve Metre yachts, the class which competes for the America's Cup, are slow boats by the standards of modern design. "Do what you like with them but they can't sail at more than 7.9 knots upwind," says Harold Cudmore, Britain's skipper designate for the forthcom-

ing challenge. When the next America's Cup event is sailed off Fremantle, Australia, in a year's time the interest will lie more in the colourful contending entrepreneurs than the boats them-

London stockbroker The James Capel has forked out £100,000 for a support boat to the British contender. That will be excellent PR for James Capel which is shortly to be-come a subsidiary of the Hongkong and Shanghai Banking

Corporation.
But a donation of £25,000 towards the British challenge, just made by Alan Bond, calls for much closer scrutiny. Bond is English-born but he has made his fortune in Western Australia. And Bond personally wrested the America's Cup from the Americans with his Australian challenge.

Why then should Bond be backing the British? The auswer seems to be that he, like all Australia, is anxious that the 1987 America's Cup contest should be the biggest sporting event the world has ever seen. And such a spectacular will require the presence in Free-mantle of a member of the

port of the British yacht may not go unnoticed in Buckingham Palace.

I am told that a mooring for the Royal Yacht Britannia has

been tentatively reserved at Perth-Freemantle.

### County town

St Helens has a yearning to go back home to its county of Lancashire. In 1974 when the metropolitan counties were formed— Conservative minister Peter Walker has a lot to answer for
the town was shunted unwillingly into Merseyside. There
was very little affinity. In St Helens footballs have pointed ends in the old rugby-playing Lancashire tradition, while on Merseyside they generally favour the round ball game.

And St Helens natives speak with soft Lancashire accents. Frankly they find their "scouse" speaking Liverpudlian neigh-bours almost unintelligible. With the Mcrseyside metropolitan county being axed at the end of the month, after a 12year life. St Helens chamber of commerce told the Post Office of its yearning to put Lancashire back into its postal address. The Post Office sternly refused and said that a survey of major users in the area had shown no desire for

the change.
That came as a surprise to the chamber's chairman, David Wood, who also heads the in-formation department at Pil-kington Brothers, the biggest cmployer in the area. No one had ever asked the

no one had ever asket the company for its view—possibly, says Wood because they knew the answer would be in favour of a switch back to Lancashire for the town.

When asked to make a New York wish Antony Pilkington Year's wish, Antony Pilkington, the glass giant's chairman, re-

quested ... "A speedy return to Lancastire." The town's businesses are now thinking of taking the Post Office to task by unilaterally dropping Merseyside from their addresses and claiming to reside simply in St Helens.

**Observer** 

### **BASE LENDING RATES**

ABN Bank ...... 121% Heritable & Gen. Trust 121% Allied Irish Bank ..... 121% C. Hoare & Co. ..... 121% American Express Bk. 121% Hongkong & Shanghai 121% Amro Bank ...... 121% Johnson Matthey Bkrs. 121% Henry Ansbacher ...... 121% Knowsley & Co. Ltd.... 13 % Associates Cap. Corp... 121% Lloyds Bank ...... 121% Banco de Bilbao ..... 121% Edward Manson & Co. 131% Bank Hapoalim ....... 121% Meghraj & Sons Ltd.... 121% Bank Leumi (UK) ... 121% Midland Bank ....... 121% BCCI ..... 121% Morgan Grenfell ..... 121% Bank of Ireland ...... 121% Mount Credit Corp. Ltd. 121% Bank of Cyprus ...... 121% Bank of India ....... 121% National Girobank ... 121% Bank of Scotland ..... 121% Banque Belge Ltd ..... 121% Northern Bank Ltd. ... 121% Barclays Bank ....... 121% Norwich Gen. Trust ... 121% Beneficial Trust Ltd ... 131% Brit. Bank of Mid. East 121% ■ Brown Shipley ...... 12½% CL Bank Nederland... 12j% Canada Permanent ... 121%

Cayzer Ltd. ..... 121% Cedar Holdings ...... 13 % Charterhouse Japhet.. 121% Citibank NA ..... 121% Citibank Savings ...... \$121% City Merchants Bank... 121% Clydesdale Bank ..... 123% C. E. Coates & Co. Ltd. 13 % Comm. Bk. N. East ... 121% Consolidated Credits... 121% Continental Trust Ltd. 121% Co-operative Bank ...... 121% = Members of the Accepting Houses

The Cyprus Popular Bk. 121% The Cyprus repulse Sec. 12:50 • 7-day deposits 8.70%. 1-month 9.80%. Top Ties—C2,500+ at 3 months notice 12.06%. At cell when £10.009+ remains deposited. Financial & Gen. Sec. 121% First Nat. Fin. Corp ... 131% + Call deposits £1,000 and over First Nat. Sec. Ltd. ... 131%

Robert Fleming & Co. 12170 Wortgage base mis.

National Bk. of Kuwait 124%

National Westminster 12:1% People's Trust ..... 131% PK Finans, Intl. (UK) 131% Provincial Trust Ltd... 134% R. Raphael & Sons ... 121% Roxburghe Guarantee 13 % Royal Bank of Scotland 121% Royal Trust Co. Canada 121% Standard Chartered ... 121%

TCB ...... 121% Trustee Savings Bank 121% United Bank of Kuwait 121% United Mizrahi Bank... 121% Westpac Banking Corp. 121% Whiteaway Laidlaw ... 13 % Yorkshire Bank ...... 124%

Robert Fraser & Ptrs. 131% 5 Domend dep. 82%. Montage 13%.

■ Gulnness Mahon ...... 12:% NOTE: The symbol shown spains: Hill Hambros Bank ....... 12:% Samuet Base Rate on February 24.

### POLITICS TODAY: NORMAN TEBBIT

# Chairman of the raucous faction The true cost of

By Malcolm Rutherford

ALTHOUGH Mr Norman Tebbit to falter and if he were to miswas in many ways the obvious read the spirit of the times, appointment as Conservative The reason who related the spirit of the times. appointment as Conservative The reason why relatively Party chairman for the run-up little has been heard from Mr to the next British general electric Tebbit in the six months or so Mr Tebbit's return to his old perhaps?

First, some background. Mr Tebbit was the obvious appointment for three ressons.

● He had let it be known that he wanted the job. The job riself is crucial when the Tories start preparing for an election campaign: that is, about two years before a general election takes place.

• He epitomises Mrs Thatcher's Conservative Party: a man who when the party was in opposition was a kind of Tory Dennis Skinner, capable of extreme political harassment. He became a junior minister when the Toxies won in 1979: even that was a surprising elevation, to him as much as anyone else. In 1981, he became Employment Secretary and carried through

Secretary and carried through some of the Government's most important reforms of the law affecting industrial relations. Two years later he was made Secretary for Traile and Industry. Mr Tebbit is a modern Tory success story.

The two other obvious candidates for the chairmanship were Mr Peter Walker, the Energy Secretary, and Mr Energy Secretary, and Mr Energy Secretary, and Mr Energy Secretary, and Mr Energy Secretary. Both were reasonably well-known in the country and could have carried the office once undertaken by Lord Hailsham. Both had a consolidator of Tory achievements rather than any longer a Lord Haikham. Both had a reputation for efficiency. The trouble was that either of them. might have quarrelled with Mrs Thatcher on policy.

It would not have done for the chairman of the party and the Prime Minister to have been seen to be publicly at olds. Mr Heseitine has already shown how right the judgment was in his case. Mr Tebbit is unlikely to quarrel with Mrs Thatcher or his Cabinet colleagues in that way: not because he is sycophantic (far from it), but man to see that the hard core because he is, or at least has of party supporters feels confibeen, politically more astute.

He could still cause problems,

tion, there was always an ele-ment of high cisk about it. As the after-effects of the Brighton bomb at the Conservative Party Mr 1990s(5 retain to ms out at the conservative rary form in the last few weeks has Conference in 1984, which begun to demonstrate, he can nearly destroyed him and his still be a pretty abrasive figure. Wife. He now seems much too abrasive for the times better and is beginning to make up for lost time.

One point is clear: he has not been mellowed by physical adversity, though perhaps he has always been slightly mel-lower underneath the skin than be sounds. Mr Tebbit enjoys a

There he was this week there he was this week attacking the Inner London Education Authority for driving children to truency and declaring, in effect, an "education-free zone." "I don't think the kids are stupid," he said. "They know that academic standards in London are poor . . . Give them a good school, good disci-pline and good teaching and they will go to school." He was particularly amused that he was then accused of incitement to truancy. That is the way Mr Tebbit works.

a consolidator of Tory achievements rather than any longer a relection campaign is getting people who, he says, have not concident but unmistakable attack on the chairman. "Toryism," he wrots, "is not a ranguig radii

Mr Tebbit responds that there is no prospect of his changing his aggressive style. Raucous-ness, he says, is part of the job. "It is the function of the chairdent and assured." That is what he claims he is doing.

Several of the ways in which



he wrote, "is not a raucous pou-tical faction." Mr Douglas Hurd, the Home Secretary, pointed in the same direction when he said: "We can't win by scrag-is beginning to spend more money and will do so on a steadily rising curve.

A lot of it is about trying to identify the wobbles in Tory support. Mr Tebbit is unusually reticent in saying where these are. Presumably they are the Labour voters who switched the Labour voters who switched "Steady as she goes," Mr to the Tories in 1979 and 1983, Tebbit will have none of that. and the Tory voters who may he is slightly patronising has an answer up to a point. The be tempted to switch to the about Mr Cecil Parkinson, his present situation is a mess and

That is why, he goes on, the Tories should not seek to present an image of perfection. present an image of perfection, because manifestly everything is not perfect. Tory change must go on. In a reference to Mr Biffen—"I've heard that there's some group in the party called consolidationists or something "—he says that there can be no question of the manifesto pert time being headed. festo next time being headed, "Steady as she goes." Mr Tebbit will have none of that.

really quite as high as he thinks, at least outside the ranks of the Tory activists? And, even if it is, is it the right profile for the late 1980s?

Mr Tebbit is a much more complex figure than he is some-times presented. His aggression can conceal what is no more than an impishness, a sense of fun and a delight in exaggeration like saying: "What I really think is that the Tories should win all of the votes all of the time . . . I may have to adjust a bit if we lose the by-elec-

(As of Wednesday it had not occurred to him that the sensible strategy would be to hold all three outstanding Parlia-mentary by-elections on the same day as the local elections on May 8 and get all of the bad news out of the way at once. But he seemed awfully tempted by the idea.)

There are also apparent con-tradictions in his political beliefs. Mr Tebbit describes himself as an economic liberal. but he is far from being liberal on other matters.

The Sunday Trading Bill now before Parliament is an illustra-tion. Mr Tebbit says that he is 100 per cent behind it as, he claims, is the entire Cabinet. It is not as big as the sale of council houses or privatisation, both of which he supported fervently, but it is along the same sort of lines of encouraging consumer choice. Yet it has run into an un-

usual amount of opposition from the churches, the shopworkers' union and the general public. Mrs Thatcher told the House of Commons last week that the Government had received 40,000 letters in protest and only 800 in favour.

How does Mr Tebbit square is permissiveness about Sunday shopping with his frequent attacks on the permissive society, which he says was intro-

man who engineered the election victory in 1983. "The difference between Cecil and myself is that he was a comparatively unknown figure, whereas I arrived with an already high profile."

It is the high profile that one sometimes wonders about. Is it really quite as high as he thinks at least august the electron of sundays nor compel people to go shopping. All of which is true, yet the permissiveness stops with the economic liberalism and the desire to tidy thinks at least august as the law. predecessor but one and the full of anomalies: some Sunday

up the law. Mr Tebbit's darker side came out in his Disraeli lecture last November: "I believe that by the 1990s we shall see the effects of a revulsion against the valueless values of the permissive society... The public will demand that television producers think about the effects. ducers think about the effects of what they broadcast upon impressionable people—and in the end it will happen."

Not surprisingly, he is again sticking to what he said. Rather more surprising was that in a conversation this week he was unable to produce any evidence. In the end he was reduced to saying that he thought all television soap operas, kitchen sink dramas, programmes about the police and programmes about business were bad because they projected violence beyond the level of violence in society

He said he was calling for voluntary restraint now in order to prevent a demand for censor-ship later.

Anyone who watched the return of Dallas on BBC this week may have wondered why the corporation was devoting so much time and money to such meaningless drivel, but they can hardly have worried about They may also have noticed

that the real violence took place on the news: for example, the riots in Northern Ireland. It seems to me that Mr Tebbit is on dangerous ground, though he insists he has read the popular mood, as he has undoubtedly done before.

Some words from Mr Michael Foot, the former leader of the Labour Party, come to mind after he had lost the 1983 election. A cardinal rule of British politics, he wrote, is never to underrate the Conservative Central Office. "They will stop at nothing, stick at nothing, bowdlerise anything and assert interest at supreme moments of

## Lombard

# life policies

By Clive Wolman

perhaps unnecessary quantities. That if the salesman had rethe foot-in-the-door salesman is at last being tackled head-on by Parliament.

The regulation of the 100,000 or so individuals who market life insurance in one way or another is the one issue in the Financial Services Bill which affects directly the majority of voters. Back-bench MPs have challenged the vested interests of the insurance industry and their Civil Service aliles. In the process, they have exposed the weaknesses in the proposed system of self-regulation for the

Trade and Industry has acted more as a collaborator with the insurance industry than as its regulator. Look, for example. at the special treatment it afforded the insurance com-panies in the era of price controls or in the drafting of the

Unfair Contract Terms Act.
True to form, when drawing up the Financial Services White Paper and Bill last year, the DTI officials (albeit with some dissenters) acquiesced in proposals which could grant insurance salesmen a unique exemption from a fundamental priparance. tion from a fundamental principle of the common law which they enshrined in numerous other clauses in the legislation. Insurance brokers and sales-men were to be exempted from the obligation to tell customers about the commissions they earn from recommending a policy if they abided by a scale set by an industry cartel.

Miboc, a committee em-powered by the financial ser-vices legislation to draw up the detailed rules for selling insurance, also acted true to form. The committee is made up of a majority from the insurance industry with only one consum:r representative. It published rules which lay down a fortuous procedure for the customer to follow before he can find out (if he is lucky) the following:

That the salesman who per-suaded him to buy a typical long-term endowment or unit-linked policy and spent less than an hour on his case will expect to earn about £500 in

AFTER DECADES of talking in charges rather than being the British public into buying invested or allocated to buy life insurance in large and insurance cover.

commended a pure term assurance policy or a different sayings medium, his commission

would probably he at least 90 per cent lower
The record of Miboc so far is a warning of how easily the self-regulatory organisations envisaged in the Bill can ride roughshod over consumer rights to protect the interests

of their industries.

The House of Commons standing committee has told Miboc to go back to the drawing board. Insurance industry representatives now suggest they will devise new and highly complex methods or remmerating their salesmen munerating their salesmen and charging their customers. To satisfy the new disclosure requirements, these methods may have to be explained in the fine print of a weighty local degree to be river. legal document to be given to the customer — and the cus-tomer will be none the wiser. Insurance companies have already shown great skill in obscuring the charges paid by their customers. Actuaries never disclose the expenses they charge against the investment income of their traditional with-profits policyholders. The charges on unit-linked policies have also been obscured, quite deliberately, by such eso-teric devices as high charging "capital units" and 105 per cent allocation rates.

Similar practices used to be adopted by providers of instal-ment credit until the Consumer Credit Act required them to use an actuarial formula based on discounted cash flows to reduce all their charges to a single figure, the Annual Per-centage Rate of interest. Using a similar formula, insurance companies could also be obliged to quote on all relevant litera-ture their charges as a percen-tage of the premiums paid.

As for commission disclosure, the salesman or broker could

simply be required to ask any customer to whom he has sold a policy to sign a document say-ing "The insurance broker, Mr X, has told me that he will be paid a maximum of (say) £550, including all indirect benefits, measure."

Mr Tebbit should be up to the challenge, but only if it is the right challenge for the times.

commission.

That over 20 per cent of the value of all his premiums into agreed that he may keep this such a policy will be eaten up payment."

### Are mergers good for industry?

From Mr S. Blunt Sir,-Are takeovers and mergers really in the best interests of British industry? Since 1963 a total of 15,909 companies have been acquired by other companies for a total of £92bn at today's prices (as reported on March 3). If mergers and acquisitions are really so good for industry in Britain, one would have expected British in-dustry to be leading the world today. With the post-war industrial decline continuing can we afford to allow unbridled

merger-mania to continue?

I believe that the Chancellor should include in his Budget changes to make it more expen-sive for companies to buy shares in other companies, so that leaders in industry direct their energies and talents to improvements in quality, to new product development, to better market-ing and to employee training, instead of to self-aggrandisement by takeover. Simon Blunt.

Pitt Vale Farm House, Pitt, Winchester, Hants.

### The nuclear field From Mr D. Loury.

Sir.-I would like to make separate comments on your feature on the future of Britain's nuclear industry and the letter on Sellafield from Dr Little (both February 25).
In discussing the role of cafety inspection she suggests the International Atomic

rinergy Agency carries out the task adequately. The IAEA carries out safeguards inspec-tion not environmental safety assessments; those safeguards inspections the IAEA does undertake are limited to monitoring foreign spent nuclear fuel stored in cooling ponds at the Sellafield site. The lajor Windscale reprocessing work consists of management and separation of British

by the IAEA. With regard to the comment in the former article that Lord Marshall "had no part in the reactor decisions of the last two decades," this surely underestimates the important indirect role Sir Walter, as he then was, played in establishing the pressurised water reactor as an option to be considered in the debate over reactor choice.

nuclear materials, not overseen

In March 1974 David Fishlock wrote that Sir Arnold (now Lord) Weinstock expected to have several years' work in close association with the UKEAE to establish the safety UKEAE to establish the safety ing industry which has had two of the PWR system. Nearly six CEGB orders in 13 years and

### Letters to the Editor

UKAEA chairman, to head a study group to assess the integrity of the PWR pressure vessel. As Lord Marshall has made clear since, although he began as a sceptic, by the time the Marshall report was come.

R. H. Campbell. the Marshall report was com-pleted 2½ years later, with con-siderable help with blueprints provided by Westinghouse, he was convinced a safe FWR could be built.

It was Sir Walter who acted both as the government's chief civil nuclear adviser as director of AERE Harwell, and deputy chairman of the UKAEA, when in the late 1970s first Tony Benn in the late 1970s first Tony Benn then David Howell had to decide as respective Energy Secretaries whether the PWR should be taken up. Now of course he chairs the Central Electricity Generating Board which wants to build PWRs. Lord Marshall has had quite considerable involvement, of that there is no doubt.

David Lowry. Energy Research Group, Open University, Walton Hall, Millon Keynes.

### Make or break year

From the managing director. Babcock Power

Sir,—I compliment David Fishlock and Max Wilkinson on a very balanced presentation British nuclear industry—the make or break year" (February 25). It is indeed just that.

Central Electricity Generating Board plants will soon be reaching the age when replacements have to be made; and so an ordering programme is immi-nent. The question of what is to be ordered is covered well in the article and commented upon by your correspondents (March 3). There is no room for more than one type of nucle for more than one type of nuclear reactor in the new programme. CEGB has great technical strength and through close relationships has access to the operating experience of brother utilities throughout the world. Why is it that so many people outside the decision making process seem to believe that they are so much better able to judge what CEGB requires than CEGB itself?

The Westland board recently had similar problems.

Speaking for the manufacturmonths earlier Sir Walter had has existed only by its efforts The Incomes Data Services J. D. Ward, been asked by Sir John Hill, in the export field, what is study may not be able to report 55 Lincoln's Inn Fields, WC2

165 Dover Street, SE1. Arbiters of suitability

From Mr M Winner Sir.—John Hunt (March 6) did well to clarify the current position regarding the endless re-writes of the Churchill amendment to the Obscene Publications Act which in its current form has withdrawn from its previous absurdities regarding.

ing TV and radio.
There remains what we believe is a harmful proposal, to be debated next Wednesday in committee, regarding pictures in magazines, newspapers,

The present wording calls for "Persons under the age of 18" as the group to be considered in relation to any court proceed-

Although Mr Churchill still Atthough Mr Churchili Still
states his only objective is to
deal with the more explicit
brands of sex magazines, the
wording he is putting forward
would also entrap illustrations
in serious art books, medical books, museum catalogues and other printed work which has up to now been unassailable under the 1959 Act.

It seems a dangerous concept to introduce into British law the idea of a young person being the arbiter of what is suitable for adults. It is greatly to be hoped that, even though time is short, this flaw will be dealt with before the Bill is

Michael Winner (for the Directors Guild of Great Britain), 6-8, Sackville Street, W1.

### Employee share ownership

From the Head of Communication Services, National Freight Consortium

Sir,-It was a happy coincidence that David Brindle's article on the report on employee share ownership schemes should have appeared in the same issue of your paper (February 28) as the letter from the chairman of the Wider Share Ownership Council.

any strong evidence for changes in worker attitudes when they own shares in their company, but, as Mr Palamountain quotes in his letter, in referring to "professional manage ment and employee ownership are proving a powerful combina-

There is no doubt in the minds of the NFC board and senior management that when managers and staff at all levels are given the opportunity jointly to own the business they work in, and are able to partici-pate in the structure of decision making, the result is a change in attitudes that greatly enhance the performance of the com-pany. In NFC, as a service business, this has also had a marked effect on the interface

Brian Cottee. 45 St Peters Street, Bedford.

### Armies of direct salesmen From Mr J. Ward

Sir,-I read with interest Mr Short's article (February 24) on the MIBOC proposals and I feel that he seems to have ignored the dangers of unfair competiare carried through we will end up with armies of direct sales-men masquerading as brokers and the true brokers who attempt to offer a relatively unbiased and professional advice service will be squeezed out of the market.

The legislation seems to be slanted towards regulating brokers while the insurance companies, who wrap up their expense charges in actuarial complications so that the lay person cannot possibly ascertain the actual cost of his insurance/ investment plan, are allowed to get away with, in some cases, enormous charges with no proper warnings as to severe carly surrender penalties.

A large part of life assurance related business comes from direct salesmen who are, effectively, paid twice as much as the broker because their offices are paid for by the insur-ance company. So if these pro-posals go through you could well find brokers turning themselves into direct salesmen.

Furthermore the proposed legislation with regard to part

timers seems to be extra-ordinarily lax. The insurance industry is being critisised for allowing salesmen without any proper knowledge to self pensions and insurance plans and now comparatively inexperienced bank and building society clerks will not be subject to the full rigours of control and responsibilities required for registered insur-

ance brokers.

# The paperclip is a classic example of practical design. Just the sort of innovation that makes small businesses grow large. Mobil, through good design and technical ingenuity are leaders in the field

of petroleum product technology. During Industry Year, together with the Design Council we have launched Design for **Growth '86.** It's a competition specifically for small businesses.

# Design for Growth

The aim is to help small companies which have innovative ideas or products and bring them into the public eye. With a cash prize of £10,000 for the overall winner, advertising and a major exhibition of the top fifty entries, it will also encourage these small businesses to grow.

For more information on Design for Growth '86, and entry details, write to the Awards Office, Design Council, 28 Haymarket, London SW1Y 4SU.

**M**obil

US BIDDER PROMISES TO MAINTAIN UK AND EUROPEAN CONTENT

# GM will 'keep Leyland British'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT,

GENERAL MOTORS of the US has engineering for Leyland trucks and ent that it will maintain the Brit-tained in Britain. ish and European content of Ley-land trucks and Land Rover vehicles at their current levels if its bid ford, GM's subsidiary in Britain, for the companies is successful. Four groups, including GM, have bid for Land Rover-Leyland, subsidiaries of state-owned BL.

Mr Bob Price, executive vice- for GM, Mr Price said. president, General Motors Overas Corporation, who is heading other company - could not be exthe GM negotiating team, said yes-pected to give a commitment that it terday that GM had also given as-would never make substantial surances that production of Land Rover and Range Rover vehicles would be continued at Solihull in the English West Midlands.

With Land Rover and Range Rover we would want to trade on the current British image," he

Barclays

**rise 37%** 

to record

By Michael Cassell in London

BARCLAYS yesterday rounded off

the UK clearing bank reporting sea-

son by announcing record pre-tax profits of £854m (\$1.24bn), comfor-tably beating its three major Brit-

Sir Timothy Bevan, chairman of

Barclays, said that the 37 per cent

increase in pre-tax profits for the

year ending December 31 1985 put Barclays "back on top of the bank profits league." In 1984 National

highest profits.

estminster Bank returned the

Barclays' figures did not, how-ever, reach the City of London's best expectations, and its shares fell by 13p to 488p. End-of-account

profit-taking and some fears that the budget later this month could

include a form of banking "wind-fall" profits tax helped push down the share prices of the other

The four big banks have in the

last week reported combined pre-tax profits for 1985 of £2.57bn, an in-

though Sir Timothy warned that

they were likely to remain high

while economic conditions proved

performance stemmed from its mainstream UK banking business,

where profits rose from £349m to

£592m Barclaycard was again a

major source of profits. The bank

will not disclose profits from the

Barclaycard operation but says

they rose by 24 per cent during the

year, with outstanding balances of

Bad debt provisions fell by 10 per

cent for the bank's overseas opera-

tions, where pre-tax profits also fell from C116m to E92m.

amounts to a little under £800m.

clays had been caught by the unilat-

eral standstill on loan repayments

imposed by the South African Gov-

Details, Page 29

over £1bn at the year-end.

The bulk of Barclay's improved

profits

Land Rover vehicles would be re-

He pointed out that the current UK content of trucks made by Bed-Bedford vans. Bedford already had 500

engineers working on US products He admitted that GM - or any

changes to either the local content of products or give open-ended assurances about anything else.

If GM wins control of Land Rover-Leyland, it intends to merge that organisation with Bedford. But Mr Price insisted that his group had no preconceived rationalisation pro-GM has also given undertakings gramme that would be imposed on that research and development and the merged group.

Two study teams, one from the medium and heavy truck operations of both companies, the other if GM won control because it would from the medium and heavy van businesses, would consider what ra- ish" campaign had failed. tionalisation was necessary.

That process, which would take

only about a month, should produce rationalisation programme to which the new management team would be totally committed, he suggested. "We are not going to dictate

Mr Price said, however, that the impact of the rationalisation should not be underestimated. There was the possibility that extra jobs might be generated within the van operations or at Land Rover to absorb those which would go from the truck operations.

Management of the merged Ley-land-Bedford organisation would be drawn from both companies at all

Mr Price said he recognised that morale at Land Rover might be low mean the "Keep Land Rover Brit-

"Another 10,000 units on the output at Land Rover would go a long way to restoring morale," he sug-gested. GM had marketing opera-tions in over 40 countries that could help to produce such a boost in Land Rover's production.

GM was fully in favour of Land Rover's scheme to export the upmarket Range Rover vehicles to the US and would help to find the most effective way into that market. Mr Price added: "I suspect those are battle-scarred guys at Land Rover. They have just come through an enormous rationalisation of production facilities. I guess they can take

one more blow."

GM go-ahead in Egypt, Page 6

# Setback for UK Government over bill to protect investors

BY NICK BUNKER IN LONDON

of the most crucial provisions in its

Conservative backbenchers and opposition MPs joined forces to push through an amendment which will give explicit statutory recognition and authority to the Securities and Investments Board (SIB). In the bill as published, the Gov-

ernment was given the option to delegate all or some of its powers to regulate the financial community to a designated agency. The amend-ment carried last night, proposed by Mr Anthony Nelson, a Tory MP, names the SIB and obliges the Government to transfer to it the delegated authority and powers which will make it the central body in the proposed framework of investor

commission, moved swiftly after the debate to play down the effect of the amendment. He said that it would not wreck the bill, but that the Government would try to re-store the bill's original proposals during its report stage.

jor reversal for the Government. Mr Brian Gould, Labour Trade Spokesman, who has been arguing that the SIB should become an independent, self-standing statutory commission, said, "This gives us the basis for a proper and effective statntory system of regulation instead of the weak-kneed and broken-backed compromise which the Goverament tried to foist on parliament

Mr Michael Howard, the Minister Mr Brian Sedgemore, the Labour egate powers to a different agency for Corporate and Consumer AfMP who has made repeated allegaif necessary.

THE UK Government was defeated fairs, who is in charge of the bill, last night in a House of Commons and has firmly opposed any moves said that the amendment "had altowards making the SIB a statutory most established a Securities and Exchange Commission in one fell

> Last night's debate was the culmination of a lengthy personal cam-paign by Mr Nelson for a tighter system for regulating investor pro-tection. He told the committee: To . However, the amendment was interpreted by Labour MPs as a massed the right messages to the public. It will reassure operators in the City and provide reassurance and tection for the investing public." Mr Howard said that giving the SIB statutory recognition, instead of keeping it as a private sector body, would handicap it by making its recruitment and resources subject to civil service constraints and would also lessen its accountability to parliament. It would also remove the Government's freedom to del-

# Argyll Group to fight bid ruling

BY RAYMOND HUGHES IN LONDON

crease of £673bn on the previous £561m (last year £468m), Midland Court rejection yesterday of its at-£351m (£135m) and NatWest £804m tempt to block the revised bid by Guinness for Distillers, the UK spir-Their results have generally con-

formed to the more optimistic City Argyll, a supermarkets and foods company which has made an opof London forecasts made in advance of the figures although bad posed bid for Distillers, had asked debt provisions, particularly in respect of Third World countries, rethe court to quash a decision of the Monopolies and Mergers Commismain the biggest single source of sion to lay aside the reference to it, of Guinness's original £2.27bn offer. Barclays' provisions fell from £469m in 1984 to £416m last year al-

The court ruled that Sir Godfray Le Quesne, QC, the commission's chairman, had not exceeded his legal powers in personally making

THE ARGYLL GROUP is to appeal the decision to lay aside the ly and with commonsense under an

Nor, said Mr Justice Macpherson, had Sir Godfray been wrong in concluding that Guinness had abandoned its original merger proposal. Guinness's revised £2.35bn offer, made the day after the laying aside, "was so obviously different that it

He said that very large sums of stake for all three companies. He

had, however, no doubt that Argyll's claim must fail. Sir Godfray has acted legitimate-

carded skin," the judge said. money and very big issues were at

left the old bid behind like a dis-

speedy process" Argyll, whose £2.34bn offer would

have been ahead of the field in the battle for Distillers had it won its case, said afterwards that the ruling had major implications. It seemed to have changed fundamen-tally the commission's accepted

Argyll's shares slipped in London last night by 5p to 338p. Guinness and Distillers held steady at 282p

Details, Page 33

# Bundesbank leads interest rate fall

Continued from Page 1

day at \$1.4580.

A trader at one leading UK bank attributed the foreign-exchange markets' muted reaction to the Gerafter a hectic week. "Much lesser events than the cut in the German discount rate have caused much bigger moves in exchange rates in the last two or three days," he said. Mr Gerhard Stoltenberg, the

Sir Timothy, who said that "a long and bumpy road" stretched be-fore the world's banks in their ef-Bonn Finance Minister, welcomed the Bundesbank's action. He emphasised that it might act as a sigforts to deal with international nal for lower rates internationally. He also noted that the decision fitdebt, launched an outspoken attack on the Government of South Africa, where the bank's lending business ted well into the German domestic context, with inflation down to less Sir Timothy accepted that, like many US and European banks, Barthan 1 per cent at an annual rate and public-sector borrowing rela-

The interest-rate cut, Mr Stoltenberg said, would be one further factor boosting domestic demand and addition to the benefits of the oil

ground against the dollar to end the price cut and a DM 11bn income tax eform package.

> achieve up to 4 per cent economic unemployment rate stands at 10.4 cent - a total of 2.6m jobless. German bankers welcomed the central bank's decision, but it is not ress so far, is keeping an everclear how far the discount-rate ac-

> tion will work through in a new round of general interest rate cuts For one thing, interest rates and bond yields have already been falling fairly steadily - so that the dis-count reduction looks more like the on key interest rates last August, it confirmation of an existing trend cut both rates by 0.5 point - the dis-

rather than the start of a new one. For another, the Bundesbank al- to 5.5 per cent. so decided yesterday to cut the banks' re-discount quotas by DM 5bn with effect from May 1. That changes in the central banks' minimum reserve rules already decided

changes, the banks could have West Germany looks set to hoped to receive an injection of some DM 8bn in extra liquidity. The growth in real terms this year. But re-discount decision means that be mopped up again by the Bundes bank, which, despite all the prog-

> watchful eye on inflation. pointed some bankers by failing to accompany its discount cut with a simultaneous reduction in the lom-

> count to 4 per cent and the lombard

France's smaller cut - although real French interest rates are significantly higher at more than 4 per action is timed to coincide with cent - reflects the authorities' nervousness over the franc ahead of the parliamentary elections on

### Tin rescue talks collapse

Continued from Page 1

and next week but delegates do not expect new rescue initiatives. The would work for whatever it could do in the present circumstances. The Newco plan has been dis-

cussed at many meetings since it was first proposed before Christ-mas. The UK Government, with its special interests in the LME, struggled to persuade fellow members to accept the deal. It concen-trated its efforts on other EEC countries, which were particularly reluctant but eventually gave way

commodity pact, looks doomed. But by yesterday morning, the

The trickle of lawsuits in the crithree biggest tin producers had still sis might become a torrent as credi-tors go to the courts. to agree. As deadlines set by the creditors approached, Malaysia gave its support, Thailand asked for an extension until Monday - some-thing the creditors might have ac-cepted - but Indonesia said no and the bankers said it was all over.

> Indonesia said it had "serious doubts" about the rescue plan and could not afford to contribute to it, after the recent fall in the price of oil, its principal export.

chairman of the EEC delegation. said the community had always favoured an orderly resolution. Another delegate said: "It is all over. We are just blaming each other."

# Gorbachev moves to revitalise **Soviet** leadership

MR Mikhail Gorbachev yesterday consolidated his power within the Soviet Communist Party at the end of its 10-day congress by bringing back to Moscow Mr Anatoly Dobrynin, for 24 years Soviet Ambassador to Washington, and appoint-ing a new member to his ruling Politburo.

Mr Dobrynin, ambassador in Washington since 1962, has played a central role in formulating Soviet policy towards the US. This experience will complement the relative inexperience of Mr Eduard Sheardnadze, the Foreign Minister,

appointed last year.

Mr Dobrynin now becomes head
of the party's international department in charge of relations with Communist parties not in power and non-Communist left-wing parties. He replaces Mr Boris Ponymarov, a non-voting member of the Polithuro, who has retired at the

The new member of the 12-member Politburo is Mr Lev Zaikov, who remains party secretary in charge of the economy. He was previously party leader in Leningrad.
Mr Gorbachev also annour

the appointment of two non-voting members of the Politburo, Mr Yuri Solovyov, party leader in the Len-ingrad region, and Mr Nikolai Slyunkov, the party leader in the west-ern republic of Byelorussia.

The 10-day congress, which takes place every five years, showed that Mr Gorbachev is in complete political control of the party. On the new 307-member central committee chosen this week, grouping all se nior office holders in the Soviet Union, there were 136 new faces. Only 171 members kept their seats.

At the same time, speeches at the congress showed that senior state and party officials hold widely divergent views about the extent and radicalism of the reforms needed to increase growth and raise the quali-ty of production. Mr Gorbachev himself and other

party leaders outlined plans for rad-ical economic change, but most speakers at the congress appeared to believe that a rejuvenated leadership in the Kremlin and senior ministerial positions will be sufficient to cope

Although Brezhnev was never denounced by name, there was a consensus at the congress that the economy had 1970s. Mr Gorbachev has faced little apparent opposition

Divisions on economy, Page 2

### **US makers** raise prices of memory chips

By Louise Kehoe in San Francisco

US MICROCHIP manufacturers are raising memory chip prices as demand for their products picks up and Japanese competition softens in the wake of growing trade fric-

Intel, a leading US chip maker, raised prices of chips used to store programs in personal computer sysems - commodity erasable programmable read only memory Eprom) chips - by 25 per cent on Vednesday. Intel, together with Advanced

Micro Devices and National Semiconductor, has filed a dumping suit against Japanese chip makers charging that they have been selling Eproms in the US "below fair

The US Department of Commerce is due to make a preliminary ruling on the case on Monday and is expected to find that dumping has occurred. If it does the Conmerce Department will set prelimi nary dumping duties to be imposed on Japanese Eprom imports, which could be as high as 200 per cent.

However, Japanese chip makers have already significantly raised their US prices and are being "less aggressive" in the market, according to US industry experts. Several Japanese companies have attributed their price increases to the but US manufacturers say trade actions brought against the Japanese have also been an important factor

in higher prices.

Intel said it was returning prices to "sustainable levels" after last year's dramatic decline. Eprom prices then fell from about \$17 in January to under \$3 per chip by Noember. The new prices will enable Intel to recoup operating costs and to make a reasonable profit, the company said.

Last year Intel and all other leading US semiconductor manufacturers sustained losses due in part to

THE LEX COLUMN

# One down, and two to go

Simultaneous reductions in official interest rates seem rather beyond the power of central bank coordination. But the next best thing, a rapid round of cuts, is now well discounted by the markets. If the Bundesbank's contribution yesterday does not draw a response from Japan within a day or two, there will be disappointment as well as surprise. But it is quite clear that a dollar/yen exchange rate of 179 represents a level of pain in the Japanese export economy which will in this case make it a relief for Tokyo to do the decent thing, reducing its discount rate for a second time. The likelihood of a parallel move from the Federal Reserve can only in-

crease the urgency.

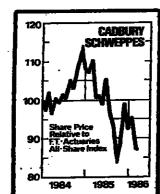
By leading off the present round, the Bundesbank may have gained international good-fellowship points, but it has raised some awkward questions about the narrower balance of currencies within Europe. The need for an EMS realignment was already looming, perhaps only awaiting the result of the French assembly elections 10 days hence. With a D-Mark unimpressed by what, in domestic monetary terms, appears an artificial manoeuvre, the probability of a re-alignment must have increased; a 10 per cent divergence of rates could well be shared between the lira and the D-Mark.

The absence of any convenient mechanism for the UK authorities to move into line provides a tantalising gap - up to the budget - in which the Bank of England can tease both the clearers and the giltedged market. Even though next month's Brent cargoes have been trading at well below \$13, the exchange rate risk of investing in UK fixed interest instruments looks conspicuously less than the prospective gain from an eventual clos-ing-up of some yawning interna-tional yield gaps.

### TI Group

In industrial terms TI Group is recognisably the Tubes of old. The company is still knocking bicycles together, bashing steel tube and stamping its name on gas cookers. But, for the stock market, TI is a changed business altogether.

The share price, which free traded at around a quarter of book value during the recession, now commands a premium of 20 per cent to the group's shrunken net ca. The City was yesterday too busy worth. And, even at those dizzy heights, TI is valued on a multiple



well below the average for its sec The group should make comfortably over £50m pre-tax this year, putting the shares on a prospective p/e of under eight at last night's

price of 471p.

Trs rerating must by now have scuppered the takeover hopes entertained by Evered. Size is not the only obstacle; TI is making a return on capital of almost a quarter in its core divisions, leaving Raleigh as the only remaining point of weak-

Even TI itself would not claim to be the best managed company in the country, but it is a much tougher nut to crack than it was even six months ago. Moreover, TI can claim with some justice that last year's losses from Raleigh - totalling almost £8m in the UK - were almost unavoidable given the collapse in Not all TI's earnings growth is ex-

about £6m before tax this year - but genuine progress has now been made in every division. If Evered chooses to unload its investment at a profit, TTs merchant bankers will be delighted to assist.

actly high quality - the pension fund holiday should contribute

### Cadbury

Cadbury Schweppes lowered the drawbridge in its defensive ringwall yesterday and wheeled out some figures for last year which, if quite as feeble as expected, so bristled with promises that an army of bidders might already be on the

In a pre-tax performance down 25 per cent to £93.3m Cadbury contrived to wipe out over £42m in store for 1986, full dividend restoratrading profits by selling soft drinks and confectionery in North Ameriwondering how this occurred to indulge in much recrimination.

The old argument that Cadbury is outgunned by Hershey and Mars in the US is beside the point, since the former US management was just as incapable of marketing soft drinks as chocolate. US food brokers had been enticed into stuffing stocks into the distribution chain merely to justify sales budgets as much as 50 per cent inaccurate; and it is only fortunate that the alarm sounded in London before Cadbury's brands were impaired.

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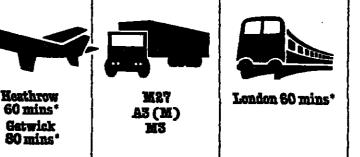
Now the stale chocolate and flat pop have passed through the chain and the management and distribution been reorganised, there is a good chance that some £220m in operating assets might produce a £15m return this year - merely leaving a hole in Cadbury's man-agement reputation that no amount f corporate advertising can repair. Cadbury will make more friends

from its promise to dispose of some £100m in operating assets in its tea and food and health businesses, which were earning less than the cost of supporting funds. But it is late in the day for such house-cleaning, especially for a company rated at a premium to its sector at last night's price of 170p, up 4p.

### HK Land

The slow march of Hongkong Land and Jardine Matheson through the divorce courts makes a very much more dignified spectacle than the shotgun marriage of 1980. The two companies have now hit on the ingenious idea of selling half Land's holding in Jardine to Jardine Securities, which finances the deal in part by a rights issue de-signed to reduce the parent's interest to just under 50 per cent Jandine gains effective control of its own shares - but cannot technically be accused of cannibalism - and Land receives a further boost to its. balance sheet.

This clever wheeze took the Hong Kong market quite by surprise and ; overshadowed an excellent set of -results from Land itself. Profits have now recovered sufficiently to = justify a meaningful dividend. The 1985 payment is less than half the peak dividend of 1981 but, after a 56 per rise in net profits last year and tion may be only a matter of time. The balance sheet has almost been straightened out and, wonder of wonders, Land seems to be general-



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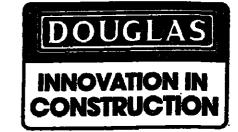
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# SECTION II - COMPANIES AND MARKETS

# **FINANCIAL TIMES**

Friday March 7 1986



# Pickens agrees to buy Pioneer for \$800m

BY WILLIAM HALL IN NEW YORK

MR.T. BOONE Pickens, who is better known as a Texas oil man than as a corporate raider has agreed to buy Pioneer, an oil and gas company located in his home town of Amarillo, Texas, in a deal worth more than \$800m.

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Mr Pickens, the general partner of Mesa Limited Partnership, and Mr C David Culver, president of Pioneer, announced yesterday that Pioneer would be acquired by Mesa in return for 61m newly-created Preference-A units of Mesa.

Mesa will assume all the liabilities of Pioneer, which will distribute the new Preference-A units to shareholders on the basis of 1.84 units per share under a plan of

Mr Pickens approached Pioneer last month after the company had received an unsolicited \$23 per share takeover proposal from Min-star, which is controlled by Mr Irwin Jacobs, the Minneapolis-based financier. Wall Street has been intrigued by the sight of Mr Pickens stepping into a takeover battle to rescue an embattled oil company from the arms of another corporate

Banco Hispano

BANCO Hispano Americano,

Spain's third largest bank, an-

nounced yesterday it was resuming dividend payments after resolving

last year's problems in its main in-

Mr Claudio Boada, the chairman,

told shareholders in a letter that

the bank was proposing a modest

payout of Pta 25 per Pta 500 nomi-

nal share. This compares with its

last annual dividend of Pta 100, paid

in respect of 1983. The omission of a

dividend for 1984 was the first case

in modern times of a major Spanish

bank failing to remunerate its

Pre-tax profits, which collapsed in 1984 from Pta 13.6bn (\$96m) to Pta 110m after the bank had to

earnings into shoring up its subsidiary, Banco Urquijo Union, recovered last year to Pta 8.25bn.

January last year to take over the

group, said the result indicated a "positive change in tendency" but

added a cautionary note by saying that the bank needed more time to

consolidate its recovery. The profit came after total provisions of Pta

He said that following a Pta 50.6bn aid package for Urquijo Union, agreed last April with the Bank of Spain and other leading

banks, the industrial banking oper-

ation was now on a sound footing

and would produce positive results

French bank

loan service

By David Marsh in Paris

launches video

CREDIT Commercial de France

(CCF), the French nationalised bank, has launched an electronic

service enabling customers to gain

instant access to credit by using

The service called Libertel, is be-

lieved to be the first of its kind in

the world. CCF, which has more than 100,000 personal clients connected to its nationwide service, be-

lieves the scheme will be profitable

for the bank and save time and

Mr Michael Pebereau, CCF man-

aging director, said yesterday that CCFs video-banking service, launched at the end of 1983, had

proved it was not a "gimmick." About 30 other French banks and

institutions are now offering elec-

tronic services enabling customers

to check balances and carry out

transactions using Minitel termi-

money for customers.

video terminals in their home

Mr Boeda, who was appointed in

shareholders.

to resume

By David White in Madrid

dustrial banking offshoot.

dividend



T. Boone Pickens

was not clear yesterday whether the terms of Mr Pickens' bid represented much of an improvement on his earlier offer. Under the original plan, Pioneer would have received 56.1m Pioneer-A pref-erence units and 33.2m Pioneer-B scribed the deal as "a very attrachave received 58.1m Pioneer-A prefunits of Mesa Limited Partnership, tive agreement."

Pioneer shareholders were to have received 1.75 Pioneer-A preference units and one Pioneer-B unit for each share.

Pioneer shares were \$\% higher at \$21% in early trading yesterday but this was still more than \$1 below the price on the day of Mr Pickens' original bid.

Under the latest deal the Preference-A units are entitled to a cumulative first right to quarterly cash distributions of \$1.50 per cent for the first five years and thereafter the same distribution as on Mesa's common units, subject in either case to reduction in the event of certain tax law changes.

In all other respects the new units are identical to existing units of Mesa Limited Partnership.

Mr Pickens said: "Pioneer has substantial long-life natural gas reserves in areas that are complementary to Mesa's operations. The combined entity will have net proved reserves in excess of two trillion (million million) cubic ft of

# Statoil lifts year-end turnover to record

BY FAY GJESTER IN STAVANGER

ing Swedish downstream acquisitions, increased oil and gas output, a strong dollar and relatively high prices for most of the year.

Lie groups own output, off the total, 2.5m tonnes went to the Mongstad refinery which Statoil owns jointly with Norsk Hydro,

doubled to NKr 15.2bn from NKr Mongstad, 1.8m tonnes were sold 7.7bn and profit after tax and allowithin Norway by Statoil's oil prod-1.18bn).

with NKr 709m for 1984. Ta about double the 1985 figure of NKr per cent a year earlier. Its turnover 5.50n and roughly equal to all the reached NKr 7,459m.

Statoil's gas output last year paid by Norwegian citizens last reached 787m cu m, including 249 m

STATOIL, Norway's state-owned Crude oil handled by Statoil last petroleum group, reported record year topped 16m tonnes, including burnover and profits in 1985, reflect- the group's own output and the

The company did not forecast while almost 14m tonnes was ex-likely results this year after the recent plunge in oil prices and the dol- crude were Scandinavia, the Netherlands, Britain and the US. The Group turnover in 1985 reached group opened a crude oil trade of NKr 51.4bn (\$7.8bn) - 4 per cent up fice in London during the year. on the previous year. Profit before tax and year-end allocations almost products produced for Statoil at

cations reached NKr 2.19bn (NKr ucts marketing offshoot, Norol. The 1.18bn). the state of NKr 1,101m compared Netherlands.

Netherlands: Netherlands. 1985 earnings will total NKr 11bn - ket share to 27.4 per cent, from 27.1

cu m from the Statfjord field,

# Woolworth earnings peak in final quarter

BY OUR FINANCIAL STAFF

F. W. WOOLWORTH, the US-based fourth-quarter earnings of \$106m or up at \$5.96bn (\$5.74bn) for the year. \$3.29 a share to end its third year running of profit improvement.

The company, which retails general merchandise and footwear in the US and abroad, had a restructuring in 1982. Yesterday, Mr John Lynn, chairman and chief executive, said 1985 earnings "represent our achievement of five-year objectives in only three years - attaining an 11 per cent return on investment and 16 per cent return on equity."

Sales in the fourth quarter rose retailer, yesterday reported record from \$1.76bn to \$1.85bn, and were

> Domestic operating profit rose from \$235m in 1984 to \$263m, with the most impressive profits gain coming in the Kinney shoe operation. Foreign operating profits rose somewhat less, from \$119m to \$126m, with the strengthening of the US dollar against its Canadian counterpart having a dampening

At the same time, improved gross margins, partly offset by an in-The fourth-quarter results com-pare with profits of \$92m or \$2.91 a crease in costs as a percentage of share, and take earnings for the sales, contributed to the rise in opyear ended January 31 to \$177m or erating income, while interest \$5.50 a share, from \$141m or \$4.45. charges fell \$14m to \$68m in 1985.

### Asko plans expansion in US

foods and do-it-yourself retail group which is a major shareholder in Furr's, the Texas superstores chain. is trying to expand its US operating

Asko was holding talks with a Sun- of its 1985 results. belt-based retail group. He was hopeful the negotiations would lead

to a takeover. ko would show rapid sales growth sales of DM 1.73bn.

ASKO, the West German clothing, for 1988, helped by recent acquisitions. Turnover for this year is esti-mated at DM 4.6bn (\$2bn), more than double the 1985 figure.

Asko, which went public in Germany in 1984 and subsequently Mr Helmut Wagner, chief execu-tive, said in London yesterday that in London, has yet to release details For 1984 the company, which op-

erates under the Adler, Praktiker, Basar and Agros trade names, Mr Wagner also forecast that As- made net profits of DM 21.3m on

# Warner Lambert in \$225m disposal

By Terry Dodsworth in New York

WARNER Lambert, the US pharmaceuticals and non-prescription health products group, has reached agreement on the disposal of one of the three high-technology hospital equipment companies it put up for sale just over three months ago.

The division involved, Deseret Medical, is being acquired by Becton Dickinson, the New Jersey health-care group, for \$225m. Warner said yesterday it was "confident" the two other businesses on the auction block' Imed and Reichert Scientific Instruments, would be similarly divested by mid-year. Based in Sandy, Utah, Deseret

makes and markets cardiovascular catheters, infusion sets and operating-room products. It was put on sale with the other two hospital equipment divisions because of the disappointing performance of the high-technology division, promoted as a significant diversification for

the group. Since Warner entered this field, it has run into problems, in common with other companies, because of the cut in spending on health care in the US. Hospitals in particular have suffered under the impact of cuts by federal and local governments, as well as a tightening of controls on insured corporate health programmes.

In the fourth quarter, Warner took a charge of \$500m to cover its costs on the disposal of the three

### Fermenta slips as suspension is lifted

Kevin Done in Stockholm FERMENTA shares continued to

amble on the Stockholm stock market yesterday when trading was resumed after an unprecedented suspension lasting nearly two

Trading in the troubled chemical and biotechnology group's stock was nervous and one dealer said the situation was "still highly volatile."

fell by SKr 10 (\$1.38) to close at SKr 113 after fluctuating widely during the day between a low of SKr 114 the bank's debt. Ka Wah's bad debt at the Mexican plant, at Gomez Pal- the bank's debt. Ka Wah's bad debt at the Mexican plant, at Gomez Pal- and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and trading orders came to DM 6.05bn, against DM 6.2bn and and a high of SKr 135. Fermenta Bfree shares, which can be bought by about HK\$850m. foreign investors, dropped by SKr 16 to close at SKr:142.

Since Fermenta plunged into crisis three weeks ago, the company has lost more than half its market value, with the free shares dropping from a peak earlier this year of

The shares had been suspended for nearly two weeks as the stock exchange authorities waited for new information from Fermenta on its financial status and on the personal finances of Mr Refaat El-Sayed, the company's majority shareholder.

Dealers appeared largely satisfied with the report. "It told us what we already knew, but had been scared of taking for granted," said

### Anglovaal rises 50%

By Kenneth Marston, Mining Editor, in London

SOUTH AFRICA'S Anglovaal mining and industrial group is another to have gained from the conversion of US dollar-priced mining revenue into weak domestic currency, re-flected in a profits rise for the half-

year to June of 50 per cent. Earnings of the home industrial companies, however, increased by only 3 per cent against a background of difficult market conditions and increased interest on higher borrowings.

No improvement on the domestic front is expected in the second half of the year and the rate of overall profits growth is thought likely to match that of the first half. Even so, Anglovaal still anticipates a "substantial increase" in earnings for

# Bertelsmann planning DM 2.5bn expenditure

BY JONATHAN CARR IN GÜTERSLOH

many, one of the world's biggest media concerns, plans to invest more than DM 2.5bn (S1.1bn) over the three years to 1988. It expects sales revenue, which totalled DM 7.4bn last year, to increase by an annual average of between 12 and 15 per cent over the same period.

Mr Mark Woessner, chief executive, said that about DM 1.6bn of the investment sum would go to consolidate and strengthen existing sectors, including publishing and book club business. More than DM 900m was ear-

marked for new activities, for example in electronic media, and for expansion in key markets – especially the US. Mr Woessner stressed that Ber-

telsmann was in stronger financial shape than ever before and could easily fund the investment pro-

BERTELSMANN of West Ger- gramme from its own resources telsmann after the Second World without strain. But he added that if War, and his family.

a major, unusually costly project The results for the year to June a major, unusually costly project
arose - for example in the US 30 1985 show net profit up by 17 per where Bertelsmann is on the hunt cent to DM 337m on turnover which for acquisitions - the company increased by 11 per cent to DM

> cates (Genusscheine). leading German stock exchanges later this month. So far the certifi-

Holders of the certificates do not

could raise funds through a further 7.4bn. The net return on sales thus issue of its profit-sharing certified edged up to 4.5 per cent, from 4.3 per cent a year earlier.

Bertelsmann is having its Genusscheine with a nominal value of fall to some DM 320m - above all DM 330m listed for the first time on leading German stock exchanges electronic media and new magazines. These costs will amount to cates, held mainly by current and DM 120m this year, compared with former employees, have been DM 37m last year and just DM 8m traded only within the group.

The increase underlines Bertels have voting rights, however, and mann's intention to go for expan-Bertelsmann strongly denies that it sion again after an era of consolida-is planning any full public share issue. Nearly 90 per cent of the com- mann will not expand outside the pany's common stock is held by Mr Reinhard Mohn, who rebuilt Ber-1970s with only limited success.

# Seat to have own US outlets

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN GENEVA

North America after the West Ger- importers in the US, could help man group's takeover. However, with the project.
the timing of the project has been It was also taking longer than ex-

Chinese body

backs troubled

Ka Wah Bank

By David Dodwell in Hong Kong

CHINA International Trust and In-

vestment Corporation (Citic), the Peking state agency, yesterday took a 95 per cent stake in Ka Wah

two months.

VOLKSWAGEN will allow Seat of American launch had been put back VW had considerable expertise, he Spain to set up a separate car disfor at least a year and perhaps to said.

tribution and dealer network in 1990 so that VW, one of the leading Seat's car output last year

lelayed. pected to prepare Seat cars to meet
Mr J. A. Alverez, the Seat presiUS safety and environmental standent, said yesterday the North dards but this was an area where

reached 320,000 (up from 279,000 in 1984) while sales were 347,000 (300,000), allowing a reduction in stocks. Mr Diaz Alverez said production should be about 340,000 in 1986 and sales about 345,000

# GM drops plan to buy **Mexican Renault units**

BY OUR MOTOR INDUSTRY CORRESPONDENT

GENERAL Motors of the US will not, after all, buy car engines from the new \$350m plant in northern Mexico set up by Renault, the stateowned French group.

The threat, however, of possible closure which hung over the Mexi-

Bank, an ailing Hong Kong bank controlled by the family of Malaysian-born Mr Low Chung Song, af-Renault's gradual, but steady, fi- models in which they are used. ter negotiations lasting more than nancial recovery.

Mr Jose Dedeurwaerder, Re-As part of the deal, Citic is due to inject HK\$350m (US\$44.8m) of new | yesterday that the talks with GM,

nault's commercial director, said ended inconclusively. He said output of 1.7 litre and 1.9 litre engines was 350 a day during the running-in than the 1.64m in 1985.

The engines are sent only to American Motors, Renault's associate company in North America. but Mr Dedeurwaerder said the Mexican plant was designed to sup-ply world-wide. Engines might be exported to Europe depending on can factory, has been removed by demand for the R9, R11 and R21

He also reported that the French Government had approved a fur-ther financial injection of FFr 3bn (\$432m) this year to help Renault's

provisions are thought to amount to acia near the Californian border, year should be about 100,000 more

# Veba lifts dividend as profits surge

By Rupert Comwell in Bonn

VEBA, the West German utility and energy conglomerate, yesterday announced an increase in its 1985 dividend to DM 10 from DM 9 the previous year, on the back of a 29 per cent surge in net earnings.

The group, in which the Federal Government holds a stake of about 25 per cent, said that net profits climbed to DM 752m (\$332m) last year from DM 584m in 1984. Pre-tax profit rose to DM 1.8bn from DM 1.44bn. Veba added that every sign was that 1986 would produce another good performance, based on business so far this year.

In accounting terms, the group's sales declined by 2.7 per cent in 1985 to DM 48.3bn from DM 49.6bn. But on a strictly comparable basis, after eliminating the sales figures of interests sold during last year, turnover rose by 3.8 per cent.

The best growth came in Veba's oil products activities, up 11.2 per cent to DM 14.59bn, while its chemical operations grew by 5.1 per cent to DM 5.67bn. These advances were more than enough to help offset a 19 per cent drop in trading

Power generation turnover advanced 2.2 per cent to DM 10.3bn, although electricity sales declined fractionally in volume terms to 69.4bn KW. The share of nuclear energy in total power output rose to 69 per cent from 60 per cent in 1984. Veba's confidence in its growth prospects was underlined by a jump of more than 50 per cent in its total physical investments during the year to DM 3.2bn.

### Krupp expects bigger margins

FRIED KRUPP, the West German steel and engineering group, ex-pects to show improved profits for 1985 despite little or no change in turnover.

Turnover for last year was DM 18.5bn (\$8.18bn), against DM 18.2bn. Steel and industrial plant sales rose but revenue from trading operations fell, slipping to DM 6.3bn from DM 7.5bn a year earlier.

Orders on hand at end-December DM 7.3bn respectively at the end of

All of these securities having been sold, this announcement appears solely for purposes of information.

February 18, 1986

# 500,000 Units **X** FannieMae

# Federal National Mortgage Association

\$500,000,000 7% Debentures Due 1996 with 11,500,000 Common Stock Purchase Warrants

Each Unit consists of \$1,000 principal amount of a Debenture and 23 five-year Warrants. The Debentures and Warrants will not be separately transferable prior to May 26, 1986, or such earlier date as may be determined by the Corporation with the consent of the Underwriters.

Each Warrant entitles the holder to purchase one share of common stock at a price of \$44.25, subject to adjustment, from the time the Warrants are separately transferable until February 25, 1991.

The Debentures, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Corporation.

The First Boston Corporation

Goldman, Sachs & Co.

Merrill Lynch Capital Markets

Dillon, Read & Co. Inc.

Salomon Brothers Inc

Morgan Stanley & Co.

Nomura Securities International, Inc.

Shearson Lehman Brothers Inc.

# CIBC first-quarter profits edge ahead

BY OUR FINANCIAL STAFF

banking group, yesterday reported from the C\$550m recorded in the in the year," the bank said.

a slight improvement in first-quaryear ended October. The rise is due ter profits, with net earnings up to uncertainty surrounding the drop from CS85.9m to CS87m (USS65m). in world oil prices. On a per-share basis, however, The bank said the estimate inearnings fell from 75 cents to 64 cludes a C\$150m contingency relat-

CANADIAN Imperial Bank of Com- mated a sharp rise in estimated quent events prove that the total is ance Company, Canada's eighth

merce, the country's third largest loan losses this year, to C\$650m excessive, it will be adjusted later largest insurance company, is seek-

Assets at the end of the first pany in Canada or the US for quarter were C\$78.9bn, up from C\$71.7bn a year earlier, while deposits rose from C362.2bn to cents as average shares outstand- ed to the uncertainty in world ener- loss estimate, the bank's shares ain's General Accident in a hid for were up CS% to CS18% at lunchtime

At the same time the bank esti- mates to be conclusive, if subse- ing 94 per cent of Crown Life Insur

between C\$100m (US\$75m) and C\$200m in the next 12 months, Robert Gibbens writes from Montreal. Crownx recently lost out to Brit-

ing jumped from 83.3m to 101.6m. gy markets and C\$130m in addition—
The per-share figures have been adjusted for a two-for-one share split.

While the three tanty in worm energy is sufficiently in worm energy in the per-share figures have been adjusted for a two-for-one share split.

While it is too early for any estimate, the banks and can be sufficiently in worm energy in the per-share figures have been adjusted for a two-for-one share split.

While it is too early for any estimate, the banks and company of the per-share figures have been adjusted for a two-for-one share split.

While it is too early for any estimate, the banks and company of the per-share figures have been adjusted for a two-for-one share split. Pilot Insurance Company, a Toronto-based property and casualty

These Notes having been sold, this announcement appears as a matter of record only.

March 1986



### F. van Lanschot Bankiers N.V.

(Incorporated with limited liability in The Netherlands)

A\$50,000,000 141/4% Notes due 1989

F. van Lanschot Bankiers N.V.

**Orion Royal Bank Limited** 

Rabobank Nederland

Security Pacific Hoare Govett Limited

ANZ Merchant Bank Limited

Algemene Bank Nederland N.V. **Bankers Trust International Limited** 

**Banque Paribas Capital Markets Limited EBC Amro Bank Limited** 

HandelsBank N.W. (Overseas) Limited

Landesbank Schleswig-Holstein Girozentrale

Banque Bruxelles Lambert S.A. Crédit Lyonnais **Hambros Bank Limited** 

Kredietbank International Group McCaughan Dyson & Co. Limited

**Morgan Stanley International** 



EXTRACTS FROM AUDITED ACCOUNT	N 1 5
Year ended 31st December	
1983	198

	1983		1984		1985
	2000		2'000		£.000
CAPITAL AND RESERVES	77,648		92,166		107,584
SUBORDINATED LOANS TO THE STATE OF THE STATE	51,443	·	62,363	4 10 K 40	137,653
CASH AT BANKS, MONEY AT CALL AND SHORT NOTICE, CD'S	297,461		379,554		326,339
US/UK GOVERNMENT SECURITIES	89,373	2 53	121,734	e wega eye Pari	134,886
LOANS	1,328,233		1,745,061		1,434,232
TOTALASSETS	1,771,405		2,320,521		1,967,308
PRE-TAX PROFITS	31,138		42,648		43,048

### HIGHLIGHTS FROM FINANCIAL STATEMENTS

- Pre-tax profit £43 million after transfers to specific and general reserves
- Liquidity ratio improved to 27%
- Net Worth increased to £108 million
- Capital funds 12.5% of total assets

The Chase Manhattan Bank N.A. Swiss Bank Corporation Bancomer S.N.C.

**Shareholders** The Royal Bank of Canada Westdeutsche Landesbank Girozentrale Credito Italiano S.p.A.

The Mitsubishi Bank Limited Banco Espirito Santo e Comercial de Lisboa

ISSUER—Warrant expiry date

Copies of the 1985 Report and Accounts are available from the Company Secretary, Libra Bank PLC, Bastion House, 140 London Wall, London EC2Y 5DN.

# INTL. COMPANIES & FINANCE

### Amerada Hess to omit dividend and cut jobs

AMERADA HESS, the secretive US \$430m after tax writedown in its oil company headed by the 71-year-old Mr Leon Hess, has become the

pany was slashing its capital spend-ing plans, reducing its workforce and would experience "a substantial first quarter loss' as a result of and \$900m in 1984. It said it would the reductions in prices for crude oil and refined petroleum products

The decision to make cutbacks

The company has introduced a comes three months after the comvoluntary special retirement propany announced it was taking a gramme

fourth quarter to cover losses on its

shipping fleet.
Amerada Hess has operations in first leading group in the sector to pass its dividend as a result of the chaotic conditions in the world oil in the Seal Island exploration prospect in Alaska.

The New York-based company said it had reduced its estimated 1986 capital spending to \$365m. This compares with \$699m in 1985 continue to review its capital spend-

# Gambro lifts earnings despite disposal losses

GAMBRO, the Swedish manufac-turer of kidney dialysis equipment, from SKr 52.5m a year earlier, turer of kidney dialysis equipment, has started a modest recovery after

its plunge in profits in 1984. According to preliminary figures. the group achieved a profit before tax and allocations of SKr 39.5m (\$5.4m) last year compared with SKr 22.8m in 1984 and SKr 156m in

The result was depressed by provisions totalling SKr 60m for losses from operations being disposed of as part of far-reaching retrenchment and restructuring. These inand its open-heart surgery unit.

Operating profits for the group

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM while profits for the continui-Gambro operations recovered to SKr 99.5m from SKr 35.9m in 1981

The group said cost-cutting measures during 1985 had begun to take effect. The dividend will be raised 25 per cent to SKr 0.40 a share.

Gambro is majority-owned by Sonessons which controls 57 per cent of the votes and 33 per cent of the equity. Sonessons itself is being taken over by Volvo, as a result of the breakdown of the planned cooperation pact between Volvo and Fermenta, the crisis-hit biotechnology and fine chemicals group.

ad-half

This announcement appears as a matter of record only



# Crédit Lyonnais

US\$ 200,000,000 9% Notes due February 1991

Crédit Lyonnais Citicorp Investment Bank Limited Morgan Stanley International

Union Bank of Switzerland (Securities) Limited

Commerzbank Aktiengesellschaft Goldman Sachs International Corp. Merrill Lynch Capital Markets Nomura International Limited Shearson Lehman Brothers International

Algemene Bank Nederland N.V. Banca Commerciale Italiana Banco di Roma Caisse des Dépôts et Consignations BankAmerica Capital Markets Group Chase Investment Bank County Bank Limited Crédit Agricole Daiwa Europe Limited Fuji International Finance Limited Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft Generale Bank **IBJ** International Limited Llovds Merchant Bank Limited LTCB International Limited Mitsubishi Finance International Limited Morgan Guaranty Ltd The Nikko Securities Co., (Europe) Ltd. Orion Royal Bank Limited Sanwa International Limited Société Générale Swiss Bank Corporation International Limited S.G.Warburg & Co. Ltd. Westpac Banking Corporation Yamaichi International (Europe) Limited Wood Gundy Inc.

(a Canadian chartered bank)

February 27, 1986

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UK COMPANY NEWS BLOCPTH REPORTING DAILY IN THE FT

MARCH 7,1986



### INTER-AMERICAN DEVELOPMENT BANK

£75,000,000 9<sup>3</sup>/<sub>4</sub> PER CENT. LOAN STOCK 2015 to be a

> **FURTHER ISSUE** of the

97 PER CENT. LOAN STOCK 2015 Issue Price £94-917 per cent.

The further issue of £75,000,000  $9_4^2$  per cent. Loan Stock 2015 has been admitted to the Official List of The Stock Exchange of the United Kingdom and the Republic of Ireland for quotation in the Gilt-edged market. The basis of allotment is as follows:

Nominal Amount Applied For Up to and including £15,000 From £15,100 up to and including £100,000

In full £15,000 principal

10-20% of amount applied for, rounded to the nearest £100 with £50 rounded downwards.

Dealings will begin at 9.30 a.m. on Friday, March 7, 1986 for deferred settlement on Thursday, March 13, 1986.

Baring Brothers & Co., Limited

**Inter-American Development Bank** 

### **DATWA EUROPE LIMITED** JAPANESE EQUITY WARRANTS SERVICE

Wmit Shere | Wmit AICA KOGYO 17/8/90
AJINOMOTO 3/12/90
AOKI CORF 6/3/91
CASIO COMPUTERS 5/3/89
C ITOH (New) 4/5/89
C ITOH (Old) 20/1/87
DOWA MINING 20/7/90
FUJIKURA CABLE (New) 20/2/91
FUJIKURA CABLE (New) 20/2/91
FUJIKURA CABLE (New) 20/2/91 FUJITSU 31/1/91 GUNIZE LTD 23/11/90 HAZAMA GUMI 1/11/89 JAPAN SYN RUBBER 28/4/89 JUSCO 22/12/88 KAYABA INDUSTRIES 15/2/89 KOBE 475E1 22/14 JAPAM SYN RUBBER 28/4/89

JASAM SYN RUBBER 28/4/89

JUSCO 22/12/89

KAYABA INDUSTRIES 15/2/89

KOKUSAI KOGYO 19/5/90

KOMORI PRINTING 20/12/89

MARUBEN 130-9/32

MARUSEN 12/2/99

MIT CHEMICAL 20/1/87

MIT ESTATES 16/10/92

MIT HEAVY & IND 29/1/91

MIT METAL (IOId) 10/1/89

MIT METAL (IOId) 10/1/89

MIT METAL (IOID) 10/1/89

MIT METAL (IOID) 10/1/89

MITSUI E/SHIP (IOID) 10/12/87

MITSUI E/SHIP (IOID) 10/12/87

MITSUI E/SHIP (IOID) 10/12/87

MITSUI E/SHIP (IOID) 10/12/89

NISPON MINING (IND) 15/5/90

NIPPON MINING (IND) 15/5/90

NIPPON MINING (IND) 11/3/89

INDOMANA SECURITIES 31/10/88

1 OMBON TATEISH 31/3/89

ONDA CEMENT 28/2/90

OPTEC DAI-ICHI 23/2/90

OSAKA TRANSFORMER 29/1/90

PASCO 16/3/91

RENOWN (IOUD) 14/3/89

RENOWN (IOUD) 14/3/89

RENOWN (IOUD) 14/3/89

SEIYU STORES 20/3/87

SEKISUI CHEMICAL 10/8/99

SUMI REALTY (IOID) 24/1/89

SEIYU STORES 20/3/89

SUMI REALTY (IOID) 21/1/89

TOKYU CONSTRUCTION 24/1/91

TOKYU CONSTRUCTION 28/1/90

TOKYU CONSTRUC

# TD Mortgage Corporation (Organised under the laws of Canada)

Cdn \$50,000,000

10% Guaranteed Notes due April 3, 1991 Unconditionally guaranteed as to payment of principal and interest by

THE TORONTO-DOMINION BANK

The following have agreed to purchase the Notes:

McLeod Young Weir International Limited

Morgan Stanley International Salomon Brothers International Limited Banque Générale du Luxembourg S.A.

Banque Paribas Capital Markets Limited

Daiwa Europe Limited

Dominion Securities Pitfield Limited First Interstate Capital Markets Limited

Genossenschaftliche Zentralbank AG Vien

Merrill Lynch Capital Markets

S. G. Warburg & Co. Ltd.

Orion Royal Bank Limited Swiss Bank Corporation Into

The Nikko Securities Co., (Europe) Ltd.

Credit Suisse First Boston Limited

**EBC** Amro Bank Limited

Doutsche Bank Capital Markets Limited

Application has been made to the Council of The Stock Exchange for the Notes, issued at a price of 100% percent, to be admitted to the Official List. percent., to be admitted to the Umical List.

Interest on the Notes, calculated as set out in the Listing Particulars dated March 6, 1986 is payable annually in arrears. The first payment falls due on April 3, 1987.

Listing Particulars relating to the Notes, the Issuer and the Guarantor are available in the Extet Statistical Service and copies may be obtained during usual business hours up to and including March 11, 1986 from the Company Announcements Office of The Stock Exchange and up to and including March 21, 1986 from:

McLeod Young Weir Inter 10 Aldermanbury Square London EC2V 7BA

### INTERNATIONAL COMPANIES and FINANCE

### Industrial **Equity** registers strong gain

INDUSTRIAL EQUITY (IEL). the Australian takeover special-let, hoosted net profits 86 per cent to A\$28.7m (US\$20.2m) for its December half-year. The company—which is en-tangled in legal and regulatory wrangles over shareholdings in North Broken Hill Holdings and

north Bruken and Huddings and the Australian Gas Light Company (AGLC) pushed sales ahead by 71 per cent to A\$890m; reflecting its increasing operational base particularly through its majority-owned for the particular formers food ground. Southern Farmers food group. IEL gave no explanation for the rise in earnings other than to say it was in line with expectations. However, during the six months it redeemed several long-standing investment holdings through accepting takeover offers from other sources.

Group pre-tax profits advanced from A\$23.4m to A\$43.9m after bearing a doubled interest bill of A\$52m and depreciation up A\$7m. to A\$13.6m. Tax took A\$7.3m against A\$2.6m while minority interests accounted for ASSm

Pershare net profits were down from 23.8 cents to 22.2 cents, with the dividend steady at 5 cents a share on increased

### Second-half fall at Woolworths Australia

By Our Sydney Correspondent WOOLWORTHS, the Australian supermarket chain, suffered a second-half drop in earnings as it carried the costs of rapid store expansion and the acquisition of the country's rival Safeway outlets.

Net earnings for the year to February 2 edged up 3.2 per cent to A\$63.31m (US\$44.5m) on a 31 per cent jump in sales to A\$4.83bn.

The second half was down from A\$42m to A\$38.9m and for the year, Woolworths net mar-gin on consolidated sales was per cent compared with

, mittej

÷ 50030

1.62 per cent Safeway appears to have contributed about A\$690m of sales and A\$6m of profits. Woolworths

and A\$6m of profits. Woolworths spent about A\$80m cash on Safeway and placed 10 per cent of its capital with Safeway of the US, which now owns 20 per cent. Earnings per share on average capital were down from 31.7 cents to 16.5 cents while the dividend is up from 16 cents to 16.5 cents, with uschanged final payment of 10.5 cents.

David Dodwell reports on the regeneration of a property colossus

# Hongkong Land returns to health

Simon Keswick, chairman of both that company and Jardine Matheson, barely a month ago. If his words did not send out a clear enough signal, his affable air certainly did, contrasting the harassed feeling that accompanied two years in the life of the group when survival

Yesterday, Hongkong Land's
1985 results gave flesh to Mr
Keswick's signal. With after-tax
profits at HK\$551m (US\$70.6m),
55 per cent above those of 1984, and group net indebtedness tumbling below HK\$10bn for the first time in almost four years, Mr David Davies, the managing director, announced a resumption of dividend payments for the first time in more

than three years.

Few stock market operators had anticipated such an early return to dividends. Many had in recent weeks poured scorn on the suggestion that they would be resumed even in 1986. Mr Davies yesterday scoffed at claims that Hongkong Land could not afford the HK\$325m needed to meet the cost of the 15 cents a share dividend. He said it would absorb a bare 40 per cent of operating cash flow that amounted to almost HK\$700m in 1985.

News of agreement on the sale of half of its 25 per cent stake in Jardine Matheson—to Jardine Securities, a Jardine Associate—also came out of the blue. For Mr Davies, how-ever, it marked the transformation of a non-performing asset into HK\$583m in cash that can be used to reduce Hongkong Land's net indebtedness. Hongkong Land agreed with Jardine Matheson in 1980 on a

protective deal in which each

bought a 40 per cent stake in the other. A move that had

seemed sensible at the time

BY ANDREW WHITLEY IN TEL AVIV

is to be handed back to the

Its major shareholder, the

Government.

Kong's property market col-lapsed in 1982.

While Jardine retains about 35 per cent of Hongkong Land's shares — 25 per cent directly, and 10 per cent through Jardine Securities — Hongkong Land has now twice diluted its holding in Jardine. In January 1984 it reduced its holding to 25 per cent, a level which it now plans to cut further to 10 per

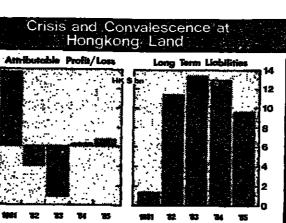
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PEOPLE SHOULD not under-turned out to be the biggest gramme of asset disposals that saling subsidiary, has also per estimate the recovery potential corporate blunder in either generated HK\$ 784m to be off-of Hongkong Land," said Mr company's history when Hong set against debt. Mr Keswick continues to see

the utility company, as a "turn-ing point" in the groups recovery. Most of the cash raised from this sale was applied to reduce debt.

An improvement in property prices gave the company a net surplus of HK\$ 2.2bn arising ent. from revaluations. This was After the disposal of 52m Jar- added directly to company



dine shares to Jardine Securiare held on Hongkong Land's books — the property group will be left with a 121 per cent stake in Jardine. This will be diluted ing retained for the long term.

The ingredients in Hongkong Land's recovery include a strong performance by its three core Mr Davies said that Dairy almost two years, businesses — property, foods Farm the group's food manulikely to exercise; and hotels — and by a profacturing, retailing and whole months to come.

at the end of 1985. Zim lost \$45m in 1984 and is expected

to report that it broke even in

assets, and played a significant ties — at a price significantly part in reducing gearing from below the level at which they a peak of 104 per cent to 64 per cent at the end of 1985.

Falling interest rates in Hong Kong have reduced Land's debt repayment costs from almost further in due course, Mr HK\$ 1.5bn in 1984 to just over Davies said yesterday, with a 10 HK\$ 1bn last year. The group per cent "strategic" stake be- has been able to unload expensive floating-rate borrowings, exchanging them for fixed-rate

ment this year to expand outthe NKS 2.9bn disposal in lets in Hong Kong and Austra-Japuary last year of Land's lia. The Mandarin Hotels holding in Hongkong Electric. group has also had a buoyant year, with its two leading Hong Kong hotels providing most

> For Jardine Matheson, the fate of which has for the past four years been so tightly linked with that of Hongkong Land, yesterday's news may in due course be seen as a watershed. The Hongkong Land shareholding may not yet be generating significant earnings for the company, but after absolutely nothing for the past three years, thus year's HK\$115m dividend payment will undoubtedly be

> Whether it further unshackles itself by seeking to reduce its own holding in Land has yet to be seen. Mr Keswick has given clear signals that this is being considered. The reduc-tion of its stake from 35 per cent to 25 per cent could generate about HK\$1.4bn in cash at current market prices, so such a dilution clearly has its attractions. Meanwhile, by "buying in'

half of Hongkong Land's holding, Jardine improves its immunity against unwelcome predators. Until yesterday, anyone winning control of Hong-kong Land would at the same time have won effective sway over Jardine. Whether this was serious possibility will now be hypothetical.

More pertinent, however, is the fact that anyone making a direct assault on Jardine would, if successful win 35 per cent of Hongkong Land This has been food for stock market peculation in Hong Kong for almost two years, and remains

### Control of Zim Navigation UIC buys large stake in **United Overseas Land**

BY CHRIS SHERWELL IN SINGAPORE

A LARGE stake in United Increase the shareholding fur-Overseas Land (UOL), a ther. property development company linked to United Overseas Bank behind UIC is We Oai Heng (UOB), the most aggressive of the island state's Big Four commercial banks, has been bought by United Industrial Corpora-tion (UIC), the Singapore chemicals, trading and invest-

ment concern. In two separate deals, UIC has spent an initial \$\$18m (US\$ 8.36m) purchasing 20m

UOL shares to expand its stake Taman Baru, a Johore-based from around 24 per cent to 14.4 Malaysian company controlled per cent. The company aims to by Mr Peh Kong Wan.

stake in the company, and its chairman is Mr Dennis Lee Kim Yew, a lawyer and brother of Prime Minister Lee Kuan Yew. The 20m shares were bought indirectly from Pembangunan

behind UIC is Mr Oei Hong

# Sharp rise in Dunlop India's profitability

DUNLOP INDIA achieved a strong boost in profitability during 1985, a year which brought an injection of fresh equity and managerial talent into the formerly wholly-British offshoot

On a 21 per cent rise in sales to Rs 3.6bn (\$292.7m), pre-tax profits rose 3.8 times of Rs 95.6m. With net earnings of Rs 88.4m against Rs 19.9m, the dividend is being raised from 10 per cent to 15 per cent. Mr E. M. S. Hammons, the managing director, attributed

the improved performance to board and management changes which had put the company "on the move again." These came with the recent involvement of the influential Goenka family.

Despite the striking recovery the company has earned a return of only 13. per ceut on shareholders' funds. The acceptable level of return should be 20 per cent Mr. Hermand caid. cent, Mr Hammond said.
Dunlop India plans to
diversify into other areas at
an investment of Rs 1bn, Mr Hammond announced without specifying the projects that are being considered.

### Canon's growth slowed by dip in camera sales

By Yoko Shibata in Tokyo JAPANESE CAMERA manu facturers, which have achieved earnings growth in recent years largely by diversifying into office auto-mation and electronics, have had to refocus swiftly on their main business following the launch of Minolta's Alpha 7000, an advanced automatic focus single-lens reflex (SLR)

camera.

A 15 per cent fall in camera sales at Canon, combined with the yen's steep appreciation, allowed only a modest 5.8 per cent gain in consolidated net profits to Y37.06hn (\$204.Im) last year, of Y955.8hn, up 15 per cent. Buoyant sales of copiers and electronic business and electronic business

Leong, who has close Indonesian connections. The Singapore Government has a substantial machines more than offset the fall in camera sales, but gross profit margins declined by 0.4 per centage points. Canon expects its 1986 pre-tax profits on a consolidated basis to fall by 19 per cent to around Y30bn, the first earnings setback in 11 years.
Sales are projected at Y1,050bn, up 11 per cent.

### Consolidated Gold Fields Finance PLC

£75,000,000

Guaranteed Floating Rate Notes 1995

unconditionally guaranteed by

### Consolidated Gold Fields PLC

In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 5th March, 1986 to 5th June, 1986, the Notes will bear interest at the rate of 121/2 per cent. per annum. Coupon No. 5 will therefore be payable on 5th June, 1986 at £1575.34 per coupon from Notes of £50,000 nominal and £157.53 per coupon from Notes of £5,000 nomi-

S. G. Warburg & Co. Ltd.

### £100,000,000



Floating Rate Notes Due 1995

Interest Rate

12.35% p.a.

Interest Period 5th March 1986

Interest Amount per £10,000 Note due 5th June 1986

£311,29

Credit Suisse First Boston Limited Agent Bank

### **BankAmerica** Corporation

U.S. \$400,000,000 Floating Rate Subordinated Capital Notes Due 1997 Holders of Notes of the above issue are hereby notified that

for the next Interest Sub-period from 7th March, 1986 to 7th April, 1986 the following will apply:

 Interest Payment Date: 9th June, 1986 2. Rate of Interest

for Sub-period: 7%% per annum

3. Interest Amount payable US \$333.68 for Sub-period: per US\$ 50,000 nominal

 Accumulated Interest Amount payable: US \$333.68

per US\$ 50,000 nominal

5. Next Interest Sub-period will be from 7th April, 1986 to 7th May, 1986. ---

Bank of America International Limited

This announcement appears as a matter of record only.

oss-making shipping line: to seek a buyer for the Zim Israel Corporation and the shares as soon as possible

to be returned to the state

CONTROL OF Zim Israel Navi- Israeli Government previously gation Company, the debt-laden shared responsibility for Zim's Israeli national shipping line, debt, which stood at US\$456m



**DANISH KRONER 400,000,000** 95/2 per cent. Notes due 27th February, 1996

> unconditionally Guaranteed by The Republic of France

Enskilda Securities

Privatbanken A/S

Société Générale

Banque Générale du Luxembourg S.A.

Banque Bruxelles Lambert S.A.

Banque indosuez

Bergen Bank A/S

Berliner Handels- und Frankfurter Bank

Banque internationale à Luxembourg S.A.

Commerzbank

Copenhagen Handelsbank A/S

Dresdner Bank

Credit Suisse First Boston Limited Den Danske Bank Deutsche Bank Capital Markets Limited

**EBC Amro Bank Limited** 

**Generale Bank** 

**Kansaitis Banking Group** 

Kredietbank international Group

Merrill Lynch Capital Markets

PK Christiania Bank (UK) Limited

Sparekassen SDS

Svenska Handeisbanken Group

Swiss Bank Corporation International Limited Union Bank of Switzerland (Securities) Limited

February, 1986

This announcement appears as a matter of record only.

# AAB-SCANIA

(Incorporated in Sweden with limited liability)

U.S. \$125,000,000 91/2 per cent. Bonds due 18th February, 1991

**Enskilda Securities** 

Deutsche Bank Capital Markets Limited

Morgan Guaranty Ltd

BankAmerica Capital Markets Group

**Bankers Trust International Limited** 

Banque Générale du Luxembourg S.A. Bergen Bank A/S Citicorp Investment Bank Limited

**Crédit Lyonnais** 

EBC Amro Bank Limited.

**Credit Suisse First Boston Limited** 

**Generale Bank** 

**Dillon, Read Limited** Kansallis Banking Group

Privatbanken A/S

Swiss Volksbank

Merrill Lynch Capital Markets

Salomon Brothers International Limited

Morgan Stanley International

Svenska Handelsbanken Group

Swiss Bank Corporation International Limited

Yamaichi International (Europe) Limited

Union Bank of Switzerland (Securities) Limited

January, 1986

Alan Friedman profiles a latecomer to the Italian financial world

# Ligresti: empire built on alliances

"I BELIEVE in alliances. That University of Padua. He is my slogan. My strategy is to have alliances with Carlo de Benedetti, with Leopoldo Pirelli, with Montedison. Ferruzzi and Pesenti. I have got to know many people over the years and I never argue with anyone."

Such is the philosophy of Mr Salvatore Ligresti, the newest face in the hurly burly if Italian face in the hurly burry it Italian finance. Mr Ligresti, a Sicilian property developer whose family owned a textile shop in Paterno, a village near the base of Mount Etna has burst on to the Italian business scene in recent months, taking strategic shareholdings in some of Italy's most famous corof Italy's most famous cor-

In doing so he has aroused considerable interest and even some controversy, for while he certainly has the cash needed to make large investments—his various holdings are believed to be worth at least around L800bu (\$500m)—he is considered by It;ly's private sector elite to be the "last arrived"—a man regarded with a mixture of diffidence, curiosity and appre-

\$100m credit

finance agency

eight-year revolving credit in the Euromarkets.

Led by First Chicago, the deal carries a commitment fee of 61 basis points. Drawings

for Spanish

By Peter Montagnon,

in Florence during military service and finally, in 1959, arrived in Milan to work as an engineer on the extension of runways at Linate Airport.

After that, Mr Ligresti says he decided to "learn about business." He met "the right people" and worked on property development, the most investment being an office sports. property development, the most important being an office, sports and leisure complex with an underground car park a few steps from Milan's cathedral.

Although he is now a mem-ber of the shareholders' control Although he is now a member of the shareholders' control syndicate at Pirelli and Montedison, Salvatore Ligresti seems most animated when discussing car parks, ramps, novel ways of creating parking space underground and the need to build skyscrapers in Milan. He brandishes ordnance maps and architectural drawings and annual turnover. architectural drawings and declares: "It was because I suffered in an ugly bedsit that I now want to build apartments where people will be happy."

Mr Ligresti's biggest deal was to acquire 36 per cent of Societa Assicuratrice Italiana (SAI), Italy's third largest in-surance group through which he owns a number of key share

market value of L530bn, which says he has great respect for Mr Ligresti says is more than 10 Mr Francesco Micheli, the finantimes what he paid originally. cier who engineered the stock He admits that some of the market raid which resulted in most important shareholdings Montedison's takeover last year which SAI controls are entered only at book value.

The who engineered the stock market raid which resulted in Montedison's takeover last year of the BI-Invest financial and only at book value.

Through SAI, Mr Ligresti has 5.8 per cent of CIR, Mr Carlo de Benedetti's key holding company which has stakes in Olivetti and many other companies. Mr de Benedetti recently acquired just under 2 per cent of SAI though he mealered. of SAI, though he may already have sold it.

annual turnover.

it "When I was a student in Padua Ithought that one day I would look for a job at Grassetto. Now I own it. It was very emotional to become the owner."

Thus, the Ligresti belief in "alliances." The old families Mr Ligresti, 54, first came surance group through which owner."

"alliances." The old families north in 1957, when he took an he owns a number of key share engineering degree at the stakes. The 36 per cent stake, market dealings were often do not know quite what to make

at current share prices, has a financed by bank loans. He also market value of L530bn, which says he has great respect for



Mr Salvatore Ligresti: con-tacts with "the right people"

of this man, but he knows what to make of them: "If Ligresti speaks it does not count, but if Ligresti speaks as the ally of de Benedetti, Pirelli, Monte-dison and others then we can make something happen."

For the moment Mr Ligresti's aims are to "buy up old industrial zones in the centre of Milan, eliminate them and build big car parks and gardens." In addition, he wants to create a 32-storey "multinational cor-porate business centre" in Milan, planning permission for which is pending. Beyond that, Mr Ligresti says his ambition is "to increase my holdings."

# SEK introduces 40-year fixed rate Eurobond SWEDISH Export Credit (SEK) are therefore attractive to trad-yesterday launched the longest ing accounts. Institutional inves-at launch. ing accounts. Institutional inves-tors with commitments well into

fixed rate bonds yet seen in the tors with commitments well into Eurodollar market with a 40-year bond issue to raise \$200m. them. The flatness of the yield Last week the World Bank curve at present forces investable launched a 40-year deal in the US domestic market.

Initial response to the deal was strong from Japanese, Middle Eastermn and European Trust International, had terms investors The bonds began trad-

investors. The bonds began trading well inside their fees,
specification and fixed at 8½ per cent coupon and
ing well inside their fees,
specification and

at launch.

The bond provides long-term funds at a low cost for SEK, which has a high proportion of long-dated export credits. However, if interest rates should fall interest and permanently.

ever, if interest rates should fall significantly and permanently, SEK can call the issue after 10 years at a price of 105, and at prices declining to par.

The yield to the first call, at issue price less the full fees, was about 140 basis points above US Treasury yields, giving investors some compensation if the bond is called.

### **Building societies launch** interest rate swap issues BY OUR EUROMARKETS STAFF

BRITISH building societies llament, is expected to give were yesterday given the go-societies the power to raise ahead to arrange interest rate foreign currency debt and swap swaps in the sterling market. It into sterling, though this will swaps in the sterling market. The Leeds Permanent, one of the largest societies, took advantage of the freedom straight away by launching a \$50m issue in the fixed rate Eurosterling market which is being swapped into floating rate (Libor). Swap believe that the rate we rate money. Later in the day the Halifax building society launched another £50m deal.

Description of the fixed rate in the day the Halifax building society launched another £50m deal.

Permission to enter into sterling swap agreements was given in a guidance note to building societies from the Registry of Friendly Societies, the body which supervises them. The registry considers that With fees of 1% per cent the building societies have the building societies have the building societies have the Building points above gilt-edged yields societies Act 1962 to arrange at the time of launch. The issue swaps in the sterling market, was well received in the market that are to raise funds for lat with investors on the conswaps in the sterling market, if they are to raise funds for their normal business. However, it goes on to say that in its view arranging currency swaps would be outside the societies' powers at present.

The issue for the time of launch. The issue was well received in the market, with investors on the continent ready to accept the borrower. The bonds traded well inside the fees at around 98...

The issue for the Halifax,

friendly court action."

The building societies legislation, now going through Par-Libor funds.

The Leeds issue, led by Bar-ing Brothers, was swapped into floating rate funds at a rate below London interbank offered rate (Libor). Swap experts believe that the rate was only a few basis points below Libor, but this still produced "the cheapest wholesale funds we have raised yet," said Mr Keith Barraclough, general manager for finance at the Leeds.

Terms for the five-year bonds were set at a 101 per cent coupon and 1001 issue price.

981. The issue for the Halifax, The registry suggests that the led by Morgan Grenfell, came on doubt about currency swaps slightly finer terms. The five-should be resolved by a year bonds pay a 101 per cent friendly court action."

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

### Libra Bank to tap sterling market

By Our Economics Correspond

LIBRA BANK, the Londonbased consortium which specia-lises in Latin America, is planning to launch a fixed rate Eurosterling bond this year as part of efforts to diversify its funding base, Mr Peter Belmont, managing director, said yester-

Libra, which last year launched a floating rate note in dollars and tapped the US com-mercial paper market, is also "looking closely" at Eurocom-mercial paper. It has already raised sterling through private placements.

The bank's pre-tax profits rose slightly last year to £43m from £42.6m in 1984. Total assets slipped to £1.97bn from £2.32bn, however, because of the weak-ness of the dollar.

The bank is now concentratng its efforts in merchant banking activities, including asset trading, trade finance and the arrangement of syndicated loans to Latin American customers under the relending facilities incorporated in debt

# Bundesbank cut spurs issuers

enthusiastic reception, after the Bundesbank cut the discount rate by half a point. INSTITUTO de Credito Official, Spain's state-owned financing agency, has launched a \$100m

The lowest coupon ever in the dollar warrants sector was set on a \$150m deal for Nippon Oil. This was 4 per cent, 1 below the indicated level. Each bond carries one warrant, the price on which was set at Y291. 2.587 per cent above the closing price of the shares. The deal is led by Nomura International.

of 64 basis points. Drawings will carry a margin over London interbank offered rates of 10 basis points for the first two years rising to 124 points for the remaining six.

Like many other Spanish borrowers, ICO has been paying down its foreign debt. Apart from refinancing of specific A low coupon was also set on the \$130m tranche of the issue for Hanwa, the Japanese steel from refinancing of specific deals, this is believed to be its trader, which is guaranteed by first borrowing in the syndi-cated loan market in two years. Although the new deal is not Bank of Tokyo. The coupon was 41 per cent, 1 per cent below the indicated level. The connected to prepayment of any specific borrowing, ICO is also expected to use the funds to replace existing debt. Repayments on the credit will begin after a grace period of six exercise price was set at Y810, a premium of 2.469 over a closing price on the share of Y790. The bonds with warrents were quoted at 1071 bid. unchanged after the fixing of were Credit Lyonnais, Dresdner Ikeda Bussan.

Union Bank of Norway lanched a warrants only deal, lead-managed by Morgan Guaranty. A total of 100,000 warrants may be exercised on four dates during the next year into a 14 per cent Australian deller hond at par

dollar bond at par. The exchange rate has been fixed at \$0.70 to A\$1. The warrants traded yesterday afternoon at around just below their issue price of \$15.

Nissan Motors came to the market with a \$100m deal, led by Yamaichi, with Chase Manhattan and IBJ as co-leads. The bonds mature in 1993, and pay a coupon of 8½ per cent. The issue price was 101½, and the initial yield around 40 basis points over US Treasuries.

Four co-leads joined Shearson Lehman to complete the management and selling group for General Electric's \$300m seven-year extendable issue. They

THE EUROBOND markets saw the coupon. Yamaichi Inter-Bank. Nomura International a crop of new issues yesterday, national (Europe) led the deal. and Societe Generale.

many of which met with an Union Bank of Norway In the sterling sector, West-

ment on Mr Ligresti, Mr Micheli replies: "He is like a character from a film but he

will not run the risk of ending like Citizen Kane because he

keeps to simple contacts and is quite open."

Open is the word. Ask Mr Ligresti what he thinks of the power struggles in Italian fin-

ance which are accompanying significant changes in the struc-ture of private sector power and he answers with self-depreca-tion: "If Agnelli or Pirelli fail

in something it does not matter. If Ligresti fails it is serious. It is always like that for the first generation—my life is to work and I believe that the large groups with power should work together, accept new results be corn to the large from the corn to the large groups with power should work together, accept new ideas.

pac, the Australian bank issued 150m fixed rate bonds led by Morgan Grenfell. The seven-year bonds bear coupons of 103 per cent. At an issue price of 991 per cent, the spread over gilt yields at launch was about 75 basis points, welcomed by the market as generous. Later in the day the bonds were bid at a discount of 0.95, well within fees of 14 per cent.

The lowest ever coupon on a Nikko Securities on the Y30bn issue for Electricite de France, the French state electricity agency. This was 5.9 per cent The issue matures in 1996, and the issue price is 99.40 per cent. In the Swiss franc market, the

coupon on Hanwa's SFr 90m issue was set at 21 per cent. The final terms were set on two private placements: a SFr 80m 21 per cent issue for Daido Steel, and a SFr 21 per cent issue for

February 1986

### **Von Clemm** to head **Merrill unit**

DR MICHAEL VON CLEMM, who resigned in January as chairman of Credit Suisse First Boston, has been appointed chairman of Merrill Lynch Capital Markets, the company's investment banking organisation.

The appointment yesterday came as a surprise to Euro-bond bankers, many of whom had expected him to pursue activities outside the capital markets following his sudden departure from CSFB,

Merrill Lynch said yesterday that Dr von Clemm will help the company develop its capital market strategy and client relationships as well as provide guidance on new products and the integration of its cross-

Last year Merrill lagged behind CSFB in the Eurobond new issue business, arranging deals worth \$8.1bn compared with the latter's \$19.2bn.

In a prepared comment yesterday, Dr von Clemm, 51, said, however, that he was attracted by Merrill's particu-larly broad approach to its

"Merrill Lynch has set the pace for the entire industry in the globalisation of the capital markets," he said. "It is unique in enjoying stock exchange memberships in the US, Canada, the UK and Japan. Its capital resources are combined with a unified distribution net-work unrivalled in its global

Dr von Clemm said he would be "helping to establish Merrill as the world's premier invest-ment and merchant banking organisation."

He will be based in New York, and is expected to join the board of the Merrill Lynch parent company.

### Canadians buy into Belgian carriage maker By Paul Cheeseright in Brussels

SOCIETE GENERALE de Belgique has sold a 45 per cent share of BN, formerly La Bru-

geoise et Nivelles, the Belgian rail transport manufacturer, to Bombardier of Canada for BFr 437.48m (\$9.5m). The link with Bombardier, also a rail transport manufacturer with utility vehicle inte-

rests, will enhance BN's pene tration at international level, Societe Generale said yesterday. Following the sale. Societe Generale, the major Belgian in-dustrial and financial holding company, will retain 20 per cent of BN's equity. Bombardier paid 3Fr 900 a share for its stake. Trading in BN shares was

suspended at BFr 1.060 earlier this week, pending yesterday's aunouncement. Although the shift in the BN equity does not involve any immediate cash transfusion for the company, the link with Bom-bardier opens up the possibility of a wider market for Belgian

products.

The chief problem BN has had to face in recent years is the fact that its international order-book has not been large enough to offset lower demand in Belgium itself.

gium itself.

In 1984, the last year for which figures are available, BN recorded a net loss of BFr 28.6m after making a small profit in 1982 On the international level BN

is currently best known for pro-viding the carriages for the Manilla urban transport net-work. It failed to win contracts for a similar project in Hong Kong, but is now vying for a contract in Kuala Lumpur. BN has little presence on the North American market. It is hong to secure this thorough

is hoping to secure this through the Bombardier link. In return it offers Bombardier greater engineering capacity.

Average price changes... C
DEUTSCHE MARK
STRAIGHTS
Jesued
Asian Dev. Bank 8 94 200
Conenhagen 72, 95...
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Credit National 82, 94...
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Oow Chemical 64, 95...
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Soc. C. Nuclear 74, 95
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Average price changes...
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veni inti. 51, 95...
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bro-Selomon 51, 97
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to Elec. Pr. 51, 93 ...
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Bid Offer 1021, 1031, 10

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OTHER STRAIGHTS	[SSUEC		Offer	dav	weni	( Yi
Barcleys Au. 12% 90 AS	<b>50</b>		. 95%			
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Flat Finance 147 89 AS		381	991		+01	
Swed. Ex. Cr. 13 88 A\$		97		0	-04	14
Amex 10% 90 C\$	50		102%		-03	
Canad. Pac. 10% 90 CS	75	1021	103	+64	, -ot	, 9
CIBC 10% 90 CS	75		1024			
Genetar Fin. 113, 95 CS			106			
Montreal 112 95 C\$			1047			
Ryl. Trustco 103 90 CS	75	994	100%	+0-	, -Oh	10
Sears Acc. 104, 92 CS	75	†102Y	103	-64	. 0	10.
Coca-Cola F. 17 90 NS	76	1041	106	0	+14	
Nordic I. Bk. 18 88 NS	50	887	. 997 <sub>4</sub>	0	+01	78.
Unilever Cp. 17 2 89 NS	50	974	987,	G	Ò	18.
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GMAC UK F. 10 2 90 £	30		101%			
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Imp. Ch. Ind. 104 92 £	76	991	59°	+04	+04	10.
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Royal Ind. 10% 92 £ J. Sainsbury 10% 93 £	60	99	397	+0.	+ 12	10.
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"No information evallable—previous day's price, † Only one market maker supplied a price.
Straight Bonds: The yield is the yield to redemptor the mid-price; the amount issued is in millions billions. Change on week—Change over price a week—change over price a week—change over price a week—

The Finencial Times Ltd., 1986. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by DATASTREAM intelliging.

These Bonds having been sold, this announcement appears as a matter of record only.

New Issue



### Genossenschaftliche Zentralbank Aktiengesellschaft

GZB — Vienna (Incorporated in the Republic of Austria with limited liability)

Can. \$60,000,000 101/8% Bonds due 1991

Orion Royal Bank Limited

**CIBC Limited** 

Bank Brussel Lambert N.V. **Bankers Trust International Limited** 

**Credit Suisse First Boston Limited** DG BANK Deutsche Genossenschaftsbank

Kleinwort, Benson Limited London & Continental Bankers Limited Merrill Lynch Capital Markets

Morgan Guaranty Ltd Norddeutsche Landesbank Girozentrale

**Toronto Dominion International Limited** 

Morgan Stanley International

Crédit Commercial de France

Bank of Tokyo International Limited Berliner Handels- und Frankfurter Bank

Daiwa Europe Limited Hambros Bank Limited

**Kredietbank International Group** 

Manufacturers Hanover Limited Mitsubishi Finance International Limited

Nomura International Limited Rabobank Nederland

S.G. Warburg & Co. Ltd.

Wood Gundy Inc.

terling

SOCIAL COMPANY

TOTAL OF THE COLUMN TO THE COL

The state of the s

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chocolate and soft drinks group, the performance in North yesterday reported a 25 per America is quite unacceptable. cent drop in pre-tax profits to The losses were largely due to 193 3m. for the year ending misdirected enthusiasm in the pecember 1985.

Fore casts of consumer —0: to close at 170p. cent
The fall was largely due to a 1985.

425an reduction in profits in Mr Cadbury said top manage-the group's critical North ment in North America had also to blame. Trading profit fell 27 per cent

to 113m. In local currency terms, however, outside North America. Cadbury Schweppes appointed to run Cadbury's companies increased trading confectionery division.

The weare now less bureaufinal dividend is maintained at cratic, less cluttered and (have)

but the strengthening of ster-ling against almost all international currencies cut the per cent to 26.5 per cent figure by £246m.

per cent to 26.5 per cent gap with

CADBURY SCHWEPPES, the chief executive, both described Fore casts of consumer -0: However, the figures were in confectionery operations. Fore-However, the neutres were in line with City expectations and the shares rose in on the day to close at 170p.

American market where it re- been changed drastically, corded a trading loss of £5.6m. including the number of vice changed drastically, But Sir Adrian Cadbury, chair-man, sald a stronger pound was British director, being cut from

A former Nestle executive, with 30 years' experience in confectionery, has been appointed to run Cadbury's

final dividend is maintained at 4.3p. with the total payment unchanged at 5.9p.

Group sales fell 7 per cent to £187bn. Sir Adrian said that to £187bn. Sir Adrian said that the final cales had risen by £104m, group's share of the UK choco-late market had risen from 26.1 Sir Adrian and his brother, its major competitors, Mars and Mr Dominic Cadbury, group Rowntree.

Mr Cadbury said. Schweppes had shown a very encouraging improvement in the UK. Overall drinks sales fell from £742,5m to £668.8m with trading profits falling from £53.8m to £42.8m. Again, however, these figures were affected by sterling's strength.

Earnings per share fell from 15.65p to 9.31p on a net basis, from 23.62p to 15.56p on a pre-

Mr Cadbury said 1986 was a year for a fresh start with the group concentrating on its core businesses, confectionery and soft drinks. Sir Adrian disclosed that several parties had expressed an interest in the food and beverages division in addition to the proposed £82.5m management buy-out. He expected a deal to be completed within the next few weeks, but declined to name any of the interested parties.

Cadbury Schweppes Australia, pushed net profit 20 per cent higher from A\$20.4m to A\$24.5m on sales which were 24 per cent higher at A\$ 473m, US by Lachlan Drammond writes from \$15m.

The soft drinks division increased trading profit by 10 per cent to A\$15m, while confectionery was up by 14 per cent. The figures included a first full year from the Cottee's food division which contributed A\$80m sales and A\$5m.

The South African subsidiary suffered from higher raw materials which meant lower profits despite increased sales. Profit before tax and interest dropped to R11.06m from R13.92m. Schweppes sales fell as the fizzy drinks market was depressed throughout the year, Jim Jones writes from Johannesburg

The group has sold its wine

division, trading under Courte-nay Wines and R B Smith names, to Edward Butler Vintners for about £1,25m. • Cadbury and 3i (Investors in Industry) have joined forces to market a in-home fizzy drinks dispenser—SodaMate—in the the 61 per cent-owned offshoot. US and Canada, with up to \$50m pushed net profit 20 per cent to be made available over the next four years. The new pro-duct had been developed in the US by Cadbury at a cost of

# UK side behind Barclays' record £854m

ALL MAJOR UK operations within Barclays, one of the Big Four clearing banks, raised profits during 1985, helping to contribute to a record pre-tax total of £854m, up 37 per cent from the previous year's £623m Barclays in the UK returned pre-tax profits of £592m (£349m), while Mercantile Credit contributed a further £79m, up from £63m. Barclays Merchant Bank pushed up profits from £14m to £21m and although other JUK operations. although other UK operations saw a dip from £81m to £70m. the decline reflected the sale of the stake in the Bank of Scot-

Group provisions for bad debt eased slightly from £469m to £416m, with the year-end total reaching £1.25bn against £1.29bn in 1984. Specific provisions accounted for £363m (£403m) of the total made during the year. Barclays is paying a second interim dividend of 10.2p (8.48p) making 18.6p (16.3p

Net interest income for the vear reached £2.3bn, up 11 per cent, and total group income at £181m, 41 per cent of which rose 13 per cent to £3.4bn. related to loans of less than Earnings per share went up £15,000.

by 30 per cent to 69.5p and shareholders' funds and loan capital totalled £5.4bn, an increase of £736m. Assets at the year end stood at £65.1bn (£66.9bn).

The banks' free capital ratio at the end of 1985 was 7 per cent against 5.2 per cent a year earlier. This rises to 7.9 per cent of the January issue of \$750m primary capital notes is included.

Barclays said that the integration of the UK and international banks from the start of 1985 had helped to improve overall profit performance.

Among initiatives taken to enhance customers services, a financial services division had been created and further investment had been made in Barclays de Zoete Wedd, soon to become the bank's domestic and international securities and invest-ment group. Capital investment in BZW will reach £250m by next month, when the bank acquires 100 per cent ownership. Specific bad debt provisions in the UK were down 10 per cent

related to loans of less than

results in a number of areas. notably BarclaysAmericanCorporation and Barclays Bank of

Pre-tax profits in the US fell, however, by £11m to £34m. Profits from Barclays' inter-national operations beyond the US declined by 13m to £58m. The bank said that it had decided to adjust profits in areas where the timing of profit-flow was uncertain. It is adopting the same approach in respect of countries experienc-

ing hyper-inflation, in order to recognise its impact on the worth of working capital employed. As a result of the change, pre-tax profits have been reduced by £41m and a reduc-tion of 51m has been made in reserves. The policy change in volves seven Third World;

comment

Moves to improve the quality of reported profits are a sign of made the most pointed one- comfortable 51 per cent.

The bank said overseas operations had achieved encouraging less well capitalised neighbours by forgoing £41m of pre-tax pro-fit that it would have taken last year, and writing off £51m of reserves. This is only reasonable; where subsidiary dividends do not arrive, profits are only dubiously worth consoli-dation. If there is a puzzle about this, it is that Barclays did not draw that conclusion earlier. Even after this piece of renunciation, Barclays was able regain its place at the top of the pre-tax profits league, and its 6.2 per cent ratio of shareholders' funds to public liabilities is a full point ahead of Nat-West's. The US branch banking network is still a problem (old energy loans still bringing new provisions); outside New York and Colifornia, Barclays branch banking in the US may not have a long future. In the UK, how-ever, Barclaycard is still making very nice, if undisclosed, profits and the plc's enjoyment of its Moves to improve the quality of reported profits are a sign of reported profits are a sign of relative prosperity. Among the UK clearing banks, Barclays has dependent on profits for the period February 1986 to April 1987. Further profit-linked payments are pos-

### Court to hear Rank case on IBA veto

By Raymond Snoddy

THE JUDICIAL review of the Independent Broadcasting Authority's decision rejecting any Rank Organisation take-over of the Granada Group

will be heard on Monday. This is the same day as Granada was due to hold its annual general meeting. The plan is for the AGM to be opened and adjourned until after the one to the legal

Granada says that at the adjourned meeting it will provide overwhelming reasons why the Rank hid should be

why the Rank hid should be rejected "if it has not been already abandoned by the date of that meeting."

The Rank Organisation asked for the judicial review to see whether the IBA had correctly fulfilled its duties under the 1981 Broadcasting Act in effectively blocking the Act in effectively blocking the

E753m contested bid.
The IBA ruled that it was "unacceptable" for the ownership of a viable ITV franchise to change hands.

The articles of association

of Granada Group, at the insistence of the IBA, state that no more than 5 per cent of the voting shares in Granada can change hands without the IBA's consent. The main legal point to be answered is whether the IBA exceeded its authority in finding the Rank
"unacceptable."

### Howden £7m US purchase

Howden Group, the Glasgowased engineer, is paying at least \$10.25m (£7.1m) cash for Western Design Corporation, a California-based supplier of defence equipment, in its second US acquisition within a

Western makes ammunition handling and feed systems for the US armed forces. It made a pre-tax profit of \$1.7m for the year ended January 1986 and had net assets of \$3.46m at the

year end. Howden will make an immediate cash payment of \$10.25m followed by up to \$1.4m in June 1987 dependent on sible up to 1991,

# TI recovery picks up with 61% profit rise

BY DAVID GOODHART

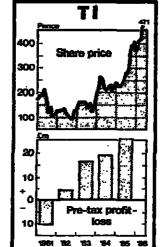
PRE-TAX profits of TI Group. and engineering group, rose by 61 per cent to £30.6m for 1985, re-establishing the group's recovery trend. The results were in line with City expectations 18p last night at 471p.

Turnover increased by 2.7 per cent to £997.1m although after allowing for disposals and other adjustments the increase is estimated at 8.3 per cent.

Mr Ronny Utiger, the TI chairman, said: "We have strengthened our core businesses, made progress in dealing with loss-makers, and realised £16m by disposal of about half of our peripheral businesses. This is in line with the policies set out in my state-ment last year, and we approach 1986 with a great deal of confidence.'

He added that while £5m had been knocked off the losses there "was still a job to do on the problem businesses"—in particular cycles. The core businesses improved by £8m. Interest costs of just over £20m were unchanged from last year but gearing was down from 42.3 per cent to 33 per cent.

formances had come from to £6m.



domestic appliances and automotive components. Specialised engineering was hit by continuing losses in the gas cylinder industry.

The main area for improvement in 1988 will be specialised engineering, with lower interest costs to look forward to and increase of 3p. Earnings per the savings from the pension share are 29.8p compared with Mr Utiger said that good per- fund holiday rising from £1.9m

Mr Utiger again dismissed the likelihood of a bid from Evered Holdings, the fast grow-ing manufacturing conglomerate, which holds a 20 per cent stake in TL. He said that in the light of the figures a bid from the far smaller Evered "is not credible." Mr Raschid Abdullah, chairman of Evered, said all his options remained

By coincidence consultations began yesterday at TI Raleigh's Nottingham plant on the radical restructuring of the cycle com-pany. About 30 per cent of the Raleigh workforce was cut last year but further cuts in the 1800 workforce are likely. Raleigh lost £7.8m last year because despite substantial cost reductions total sales in the UK market fell to 1.5m units compared with a five year average of 1.9m. Mr Utiger said that assuming a return to only slightly below average sales there would be far lower losses in 1986 and with average sales Raleigh might even achieve break-even.

# Mitchell Cotts' 24% downturn

24 per cent drop in interim pre-tax profits and warned that the outlook for the year was for profits to be lower than the £12.1m achieved in 1984-85.

In the six months to Decemon turnover down at £167m (£178m). Interest paid was £2.29m (£2.83m). After taxes of £1.56m (£1,81m), minority interests of £149,000, the profit before extraordinary items was

£1.53m (£2.34m). Continuing losses at Alldays, Peacock and at the bleak prospects for Key Resource Inter-national led the group to decide to sell the former and close the latter. The writing back of deferred development

share were 1.65p (3.2p).
Mr John Storar, the chair-

ber, profits before tax were group £900,000 and that lower £3.23m compared with £4.23m, on turnover down at £167m off the contribution from the estates in India in spite of higher production. No tea sales from Uganda were possible as the growing area was within territory controlled by forces

comment

There is a troubled air about Mitchell Cotts. It is a blow to have to sell off at a bookloss one's oldest group member (Allday's lay claim to having expenditure for KRI and its made armour for Cromwell) but closure costs plus the book loss the closure of KRI surely must

Mitchell Cotts, the engineering, transportation and trading
group, yesterday announced a
24 per cent drop in interim pretax profits and warned that the

After this debit, attributable for co-ordinating the group's engineering activities. The
future was to be UK oriented
with the emphasis on engineerinterim dividend of 1.5p has with the emphasis on engineerinterim dividend of 1.5p has on transportation as the planned move away from depen-dence on trading and South man, said that adverse exchange affica came into effect. This rate movements had cost the group £900,000 and that lower tea prices had wiped £400,000 awful figures. The question now being asked is does Cotts know the contribution from the second co where it's going and just how much will it cost to get there. At least another £500.000 is to come for redundancy costs in the second half and possibly opposed to the then govern- other costs too. For those who have the stock for its yield attractions, the holding of the interim is a small gesture to year end might bring. But with no dividend cover available at the interim and only slim cover, if any, likely at the year end maintaining the payout could on Allday produced together an hurt more. Only last year, appear an act of exceeding extraordinary debit of £4.68m. KRI was created as the vehicle generosity.

Preliminar:	•	
52 weeks ended 28t	h December 1	1985
	1985	1984
	£m	£m
Sales	1,873.8	2,016.2
Trading profit	113.0	154.4
Profit before tax	93.3	124.0
Earnings per share	9.31p	15.7
Dividends per share	5.9p	5.9

- The 1985 figures have been adversely affected by the loss in North America and by the impact of exchange rate movements.
- In local currency terms outside North America, Cadbury Schweppes companies increased their trading profit by 13.5% compared with 1984. Brand shares have been maintained or increased.
- In North America, the company completed a major reorganisation, a new management team is in place and consumer led marketing programmes have been initiated. Non-recurring costs have been heavy and operating costs have now been reduced. Sales since the beginning of the year have been encouraging.
- We have sold the Jeyes Division and announced the sale of the Beverages & Foods Division. The sale of these companies will free resources for investment in the mainstream international businesses.
- To improve profitability and asset utilisation in the Pacific Region, agreement has been reached in principle to merge the Australian and New Zealand companies.
- We have announced, with The Coca-Cola Company, the formation of a joint company which will bring together the leading soft drinks brands in the British market and enable us to exploit new sales and profit

I believe that the major strategic moves set out above, coupled with the complete reorganisation of our North American operations, have materially strengthened the Group and that our 1986 results will justify the actions taken.



SALES AND T GEOGRA	TRADINO PHICAL	G PROFIT REGION	BY .	
		Sales	Tradin	g Profit
	1985	1984	1985	1984
	£m	£m	£m	£m
United Kingdom	951.2	920.8	65.6	62.3
Europe	253.2	232.1	20.6	16.5
North America	357.9	486.0	(5.6)	36.9
Australia	217.7	260.2	21.1	25.0
Africa, Asia & New Zealand	98.8	117.1	11.3	13.7
	£1.873.8	£2,016.2	£113	£154.4

Shareholders will be offered the option of taking a scrip dividend in place of cash and full details will be sent to them.

Copies of the full statement will be sent to all shareholders and further copies are available from the Secretary, Cadbury Schweppes p.Lc., 1-4 Connaught Place, London W2 2EX. Telephone: 01-262 1212.

# Chwenner | John Lewis Partnership plc department stores and Waitrose supermarkets

Consolidated Results\* for the year ended 25 January 1986

# **Record profit and Partnership Bonus**

	1985/86 £m	1984/85 £m	% change
Sales	1,369.6	1,206.2	+14
Trading Profit Interest Pension Fund Contributions Profit before tax	97.2 3.5 11.5 82.2	78.4 3.8 8.8 65.8	+24 -8 +31 +25
Taxation Preference Dividends	21.6 0.3	13.7 0.3	+58
Surplus available for profit sharing and retentions	60.3	51.8	+16
Partnership Bonus	30.6	25.7	+19
Retentions	29.7	26.1	+14

\*abridged, estimated and unaudited

Profit Sharing All the equity capital of John Lewis Partnership plc is held in trust for the benefit of the workers in the business. The profits remaining after taxation, preference dividends, pensions and allocations to reserves are distributed yearly among the workers as Partnership Bonus in proportion to their pay. This year the rate of distribution will be 20% of pay (1984/5 19%).

For further details please telephone 01-637 3434 ext 6221 or write to Chief Information Officer, 4 Old Cavendish Street, London W1A 1EX.

# Williams Holdings climbs to record £6.4m

Half-year ended Increase 31 December 1985 1984

1 050 469

69 063 22 126

91 189 36 642

54 547

62 146

30 949

31 197

731 50

100

347 465 2 747

744 314

898 839

1 017 722

(131 399)

898 839

4 270

596 714

148 662

1984 R000

WITH ALL its divisional activi-ties—except engineering pro-ducts—showing substantial in-comparative figures for 1984 resulted: ties—except engineering products—showing substantial increases in trading profits, have been restated to include Williams Holdings reports a 55 a full year from J. and H. B. per cent jump in pre-tax profits

A dividend of 8p—the first founder, engineer and vehicle since 1980—is being paid. In future years, the board proposes that separate interim and final dividends should be Trunover of this South Wales founder, engineer and vehicle dealer climbed from £78.35m to £100.95m, and vehicle distribution contributed over one-third with £39.25m (£22.27m). Trad-

The pre-tax figures were a record £6.35m compared with £4.08m in 1984, and included a full year from J. and H. B. Jack-son, which has been merger accounted, but do not include any profits from either the accounted but do not include \$150,000 to \$250,000.

Special engineering's turn-after preference dividends of \$240,000 (\$260,000), profit on December 1985), or from \$13.88m, but trading profits

Spencer Clark Metal Industries, advanced from \$1.57m to Williams was \$4.71m com-

FINANCIAL RESULTS

Consolidated Income Statement

Turnover of this South Wales with £39.25m (£22.27m). Trading profits of this division were up from £323,000 to £1.22m. Although turnover for the engineering products division was up from £8.11m to £9.71m, trading profits fell from £693,000 to £463,000.

Interim Report for the Half-Year ended 31 December 1985

1 196 124

46 995

1 109

827 407

90 660 141 723

1 059 790

450 555

797 124

166 095

Consolidated earnings attributable to ordinary shareholders increased by 50% to R47 million. The Group's investment in the mining sector contributed strongly to earnings growth mainly as a result of incressed revenue, due largely to the weakness of the rand. The rand's weakness reflects, of course, concern for the South African business environment and it implies serious inflationary pressures in the future.

The profits of the Group's industrial Companies increased by 3% over last year in spite of difficult market conditions coupled with increased interest on higher borrowings. No improvement in trading conditions is anticipated during the remainder of this financial

Due to the strong performance of the mining division, Group earnings for the fluancial year to 30 June are expected to show a substantial increase over the previous year. Shareholders should note, however, that it is unlikely that the rate of growth recorded in the first half will be sustained for the full year.

The capital expenditure of the Group for the half-year to 31 December 1985 was R48.0 million (1984—R52.0 million). Commitments for further capital expenditure at 31 December 1985, amounted to R34.8 million (1984—R85.9 million).

The following items which refer to the period have not been taken into account in calculating earnings attributable to members.

At 31 December 1985 commitments under finance leases and to a lessor trust amounted to R5.2 million (1984—R6.2 million). Contingent liabilities amounted to R6.6 million (1984—R11.4 million). The Group has uncovered foreign loans amounting to

31 December

ANGLOVAAL LIMITED

(Incorporated in the Republic of South Africa) Reg. No. 05/04580/06

The consolidated unaudited results are as follows:

Profit before taxation .....

Equity Accounted Earnings .....

Earnings attributable to ordinary share-

Earnings per ordinary and 'A' ordinary

share (cents)

Dividend per ordinary and 'A' ordinary

Equity shareholders' interest .....

Group shareholders' fund .....

Investments

Mining subsidiaries and associates .......

Loans and long-term debtors .....

-Interest bearing .....

Effective number of ordinary shares in

issue (000)
Net worth per ordinary share (cents)

Market value of listed investments, mining subsidiary and associates Book value of listed investments, mining

subsidiary and associates .....

Borrowing powers in terms of most restric-tive limitation

Borrowings .....

Surplus on disposal of trade investments

Commitments and Contingent Liabilities

For and on Behalf of the Board

Dividends Declared or Paid During the Half-Year

Surplus on disposal of land and buildings
Surplus on disposal of land and buildings
Goodwill written off
Rationalisation and closure costs

Unrealised foreign exchange loss .....

Half-yearly dividends on 5 per cent and 6 per cent preference

snares Interim dividend of 120 cents per share (1984—100 cents) on the

ordinary and 'A' ordinary shares

Interim dividend on the participating preference shares at a fixed rate of 5 per cent per annum plus a participation of 60 cents per share (1984—50 cents)

sidiaries and preference dividends.

share (cents) ...... Consolidated Bajance Sheet

Capital Employed

Employment of Capital

Borrowing Capacity

Capital Expenditure

Fixed assets

division £13.02m (£779,000); foundries £11.06m (£11.96m) and £870,000 (£541,000), and forging £14.02m (£9.48m) and £1.46m (£558,000). The directors say the company's financial position is sound and its operating companies are trading well in their respective markets.

The year-end pre-tax figures were struck after net interest charges of £586,000 (£807,000) and an exceptional credit of £81,000 (£425,000). Tax was up from £1.16m to £1.6m, and

Year ended

2 177 526

144 710

184 844

112 093

64 277

66 213

1 551

84 285 111 188

963 686

420 177

1 203 626

(183 852) (768 665)

968 686

149 916

777 238 245 040

1984 R 000

(2429)

(1142)

31 December

....

\_

72

3 566

360

There was an extraordinary credit of £53,000 (£1.94m debt) and after ordinary dividends of (£779,000); foundries £11.06m £1.64m (£535,000), retained (£11.96m) and £870,000 profit transferred to reserves amounted to £3.12m (£376,000). Stated earnings per 25p share were 26.4p (15.8p) basic, and 22.4p (12.3p) fully diluted.

### comment

Williams fully justifies its tag as the City's favourite miniconglomerate with these figures which were slightly above expectations. The duo at the helm
—Mr Nigel Rudd and Mr Brian
McGowan—had clearly hoped
to use them as a platform
for the now lapsed bid for McKechnie failure should not markedly break momentum. If the Williams stakes in McKechnie and Thomas Robinson were sold it would more than wipe sold it would more than wipe out borrowings and release cash for a fresh round of smaller acquisitions. There have been a few problems integrating Beeston Boilers into Leys Foundries and a slower than hoped for rise in efficiency at J. and H. B. Jackson but the returns from the miche aerospace businesses are good News were nesses are good. Next year looks better with estimates now clustering around film giving a prospective p/e of 15. Rawlplug, which is not included in these figures, has already had film of overheads cut out by the feared "hit squads." No wonder the institutions wonder the institutions are queuing up to get into the stock.

### **SPP** rises 40% to £2.7m

IN PTS first results since obtaining a listing in November, SPP, which designs, manufactures and supplies fluid handling systems, has lifted pre-tax profits for 1985 by nearly 40 per cent, from £1.96m to £2.74m. The forecast at the time of listing was for not less than £2.6m. The directors are proposing the single final of 2p as fore-shadowed in the prospectus. This will aborb £314,000. Earn-

ings per 10p share are shown ahead from 8.1p to 11.7p. Mr John Nutt, the chairman, says that although it is too early to predict how the recent fall in oil prices will affect those parts of the business which supply oil producers or are engaged in oil producing countries. SPP is well diversified in the markets it serves. and he says that setbacks in certain areas are often balanced by opportunities elsewhere. Accordingly, the board anticipates another satisfactory year.

Turnover improved by 6.6 per cent to £32.5m against £30.5m, and at the year-end the order book represented a significant increase over the previous Newbold and Burton Holdings, After tax of £1.12m (£833.000) and minorities of £6,000 com-pared with £24,000, attributable

profits emerged £515,000 higher

### Belgrave Holdings

Tifa AG now has a 23.5 per cent stake in Belgrave Holdings following the purchase of 1.75m ordinary shares (11.75 per cent) from Tomer Maritime Holdings. | matching 1984's total of 3.08p.

### Argyle sheds its **Guinness** Mahon link

By Charles Batchelor Argyle Trust yesterday took the unusual step of breaking off its banking relationship with Guinness Mahon, after Guinness disclosed it had built up a 9.36 per cent stake in the second

mortgage group. Guinness, part of the Guinness Peat group, is understood to be interested in making an agreed offer for Argyle, but this was rejected by Argyle yester-

Mr Nicholas Oppenheim, Argyle's deputy chairman said: "I cannot envisage any form of association with Guinness association with Guinness Mahon which would be to our shareholders' advantage." Argyle revealed that Guinness made an informal approach to

Argyle last summer indicating it was interested in making an offer for the whole of Argyle at or about the then market price. This approach was rejected by Argyle and Guinness withdrew. At the time of the first

approach Guinness apparently held no Argyle shares. Shortly after it began market purchases and moved from below the dis-closable level of 5 per cent to 9.36 per cent earlier this week Argyle's main operating subsidiary has had a £2m credit facility from Guinness for the past two years, of which £1m

has been drawn down. Argyle said it did not consider it was appropriate in these circumstances that it should have a banking relationship with Guinness and it has made arrangements to bring it to an

Argyle's shares rose Ip yester-day to 431p to value the com-pany at £9.3m.

### Meyer Intl. in £8m sale

Meyer International, the largest British timber merchant, is selling off minority stakes in two Far East companies and a freehold property in London's Docklands in two separate deals worth a total of £8m.

Meyer is selling its 24.5 per cent holding in Delta Berhad, an unlisted Malaysian company, and its 27 per cent cent stake in Delta Far East, a private Hong Kong company. These sales are expected to raise about £4.4m after receipt of a deferred pay-ment of £450,000 due in August. The property sale involves a site on the Isle of Dogs. This

vestment valued at £306,000 in Meyer's books.

### Newbold & **Burton higher**

the Leicester-based footwear maker attributes better results mainly to continued moves to wards broadening the customer base among big UK retailers. The company raised pre-tax profits for the year to December 31, 1985 by almost 3; times from £83,000 to £283,000 on turnover up 10.9 per cent up from £12.31m to £13.66m. Earnings per share rose from 0.83p to 3.31p and the final dividend, like the interim, is to be 1.54p,

### NOTICE TO LOMBARD DEPOSITORS Rates for positions entity to receive net interest 14 Days Notice 9.34% 13.34% Cheque Savings Accounts When the balance is £2,500 and over 8.97% lance is £250 to £2,500 7.47% 10.67% 10% ge, but not less than half yearly. ombarc North Central 17 Bruton St, London WIA 3DH 📆

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_							P/I	-
		_			Gross			Fully
High	Low	Company		Change				
146	118	Ass. Srit, Ind. Ord	132	_	73	5.5	8 1	7.5
151	121	Ass. Brit. Ind. CULS	137	_	100	7.3	_	_
75	43	Airsprung Group	70	_	6.4	9.1	11.7	15.2
46	33	Armstage and Rhodes	34	_	4.3	12 6	4 2	5.1
174	108	Bardon Hill	173	-1	4.0	2.3	21.9	22 8
64	42	Bray Tochnologies	56	-1	3.9	7.0	6.8	7.9
201	136	CCL Ordinary	138	_	1Z Q	87	34	3.2
152	97	CCL 11pc Conv. Pref.	29	_	15.7	15 9	_	_
136	80	Carborundum Ord	136	-	4.9	36	5.7	10.5
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95 95 955	570	Minihouse Holding NV	955	_	6.9	Ó.7	41.7	29 6
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82 34	28	Scruttons 'A'	30	_	_	=	٠	7.7
87	66	Torday and Carliale	69	_	50	7.2	3.5	6.3
370	320	Travian Holdings	330	_	79	2.4	6.9	
52	25	Unilock Holdings	52	+1	2.1	40	14 1	9.1 13.8
137	53	Walter Alexander	137 <sub>AC</sub>	· ~:	86	8.3	17.7	13.8
226	195	W. S. Yestes	200	_	17.4	8.7	5.7	9.8

# JM progress continues as borrowings fall sharply

solidated the progress made year.
since its crippled former sub-

The figures at the three-quarter stage of the 1985-86 year, published yesterday, show a 39 per cent increase in tax-for the property of the pr able profits to £17.8m, and a further reduction in net money borrowings—at the end of the period, these stood at £137m, some £147m down from the previous year's peak. The profit improvement was the result of a fall in net interest payable, down from £19.6m to £13.6m. Third quarter profits were 115 per cent ahead at £7.3m, and

interest charges were halved to Nine month opeating profits, including £3.fi6m (£3m) from related companies, slipped from

£33.5m to £31.4m.

The directors say that demand sidiary, Johnson Matthey Bank, for platinum group metals has was taken over by the Bank of remained buoyant, although remained buoyant, although average sterling prices during the period were lower than last

After tax of £4.8m (£5.2m) for the nine months, there was an extraordinary item of £5.5m an extraordinary term to be the companies to refinancing, reorganisation costs and other losses, offset by a credit relating to the disposal of the company's interest in Universal-Matthey relating Products. Last year's charge of £167.4m resulted from the JMB disposal. Retained profit amounted to £5.8m, against a

£159.8m deficit. Before the extraordinary, earnings per share came to 8.6p (5.6p) basic, and 7.3p (4.2p) fully diluted.

### comment

£100m down on the previous which replaced the crisis pack age put together after the col-lapse of JMB, was put in place. Eugene Anderson's cash squeezing and disposal pro-gramme has been successful gramme has been successful enough to permit pre-payments to be made. By December 31, some \$195m was left outstanding and a further \$10m pre-payment has been made subsequently. Another plus is that below the line write-off's are now modest in scale, the annual total could be less than their nine. total could be less than their nine month figure due to positive month figure due to positive contributions from recent disposals. For the year to March pre-tax profits of £27m are seen as achievable by the analysts but already the City has to be looking to next year. Sterling is now less friendly to precious metal companies than last year; gold is at fairly high levels, silver is at the bottom of a deep trough and platinum has deep trough and platinum has been a spectacular gainer. JM's The comparative figures exclude the results of JMB, Since the sale of the bank, Johnson the strongly downward trend of matthey has concentrated on precious metals and chemicals, and these produced turnover in August 1985 a \$265.5m of £1.02bn for the nine months.

# Pacer Systems tops profit forecast

against \$313,000. Earnings per

Pacer Systems, the US share were \$0.16 (\$0.1) undefence group traded on the diluted or \$0.14 (\$0.09) diluted, ing and technical support consumption of the placing in June.

Tax took \$550,000 (\$260,000), the year end of 1984.

Pacer Systems, the US share were \$0.16 (\$0.1) undered ing and technical support consumption of \$0.02 per share and there is a single final dividend of \$0.02 per share.

Turnover was up 39 per cent and \$10m software validation to two current order book is about contract, in addition to two current order book is about the \$1.05m forecast made at the time of the placing in June.

Tax took \$550,000 (\$260,000), the year end, up from \$30m at giving a net balance of \$595,000.

The support consumption of \$0.02 per share are possible from \$100 per cent and \$100 per contract, in addition to two contracts announced during the placing in June.

Tax took \$550,000 (\$260,000), the year end, up from \$30m at respectively. These followed the \$16.5m contract won in against \$313,000. Earnings per cent and there is a single final dividence of \$100 per cent and there is a single final dividence of \$100 per cent and there is a single final dividence of \$100 per cent and there is a single final dividence of \$100 per cent and there is a single final dividence of \$100 per cent and there is a single final dividence of \$100 per cent and technical support contracts from the US navy. Last month, the company announced at \$100 per cent and technical support contracts from the US navy. Last month, the company announced contracts announced during the \$100 per cent and there is a single final dividence of \$100 per cent and technical support contracts from the US navy. Last month, the company announced and the per cent and technical support contracts from the US navy. Last month, the company announced and there is a single final dividence of \$100 per cent and there is a single final dividence of \$100 per cent and there is a single final dividence of \$100 per cent and there is a single final dividence of \$100 per cent and the For three years running, 1984.

These followed the \$16.5m contract won in

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### NOTICE OF REDEMPTION

### **NEW ZEALAND**

Floating Rate Notes due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the Fiscal Agency Agreement dated as of April 7, 1982 between Her Majesty the Queen in Right of New Zealand ("New Zealand") and Morgan Guaranty Trust Company of New York as Fiscal Agent under which New Zealand issued its Floating Rate Notes due April 7, 1987 (the "Notes"), and the Notes, New Zealand has elected to and shall redeem on April 9, 1986 (the "Redemption Date") all of the outstanding Notes at a redemption price of 100% of the principal amount thereof (the "Redemption Price"). The Notes shall become due and payable on the Redemption Date at the Redemption Price which shall be paid upon presentation and surrender of the Notes together with all coupons thereto appertaining maturing after the Redemption Date at the offices of the paying agents listed below. The coupon for interest due on or before April 9, 1936 should be detached and should be collected in the usual manner.

The Notes will no longer be outstanding after the Redemption Date and interest on the Notes will cease to accrue from and after the Redemption Date and the coupons for such interest shall be void.

Payments at the office of any paying agents outside the United States will be made by United States dollar check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York, Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number or IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

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### **UK COMPANY NEWS**

# Hanson and Imperial bid battle intensifies

ACRIMONY intensified yesterday in the £2.4bn takeover bid for Amperial Group from Tansen. Trust, when Imperial investment which branded conlimited a scathing attack on Hanson's profits performance and almosn accused Imperial of grossly misleading inaccuracies, the debt? The market would be broken up to reduce the debt? The market would be operations had suggested the suggested that the debt? The market would be operations had suggested the suggested that the debt? The market would be operations had suggested the suggested that the debt? The market would be operations had suggested the suggested the suggested that the debt is the debt? The market would be operations had suggested the suggested that the suggested tha Imperial, in a letter to its shareholders, said Hanson's also have grounds for fearing forecast of 1986 pre-tax profits a new Hanson rights issue. Urging shareholders to accept the rival, agreed bid from trial conglomerate's "lack of United Biscuits, Imperial said that Hanson's shares had a magnificant to its

organic growth."

The letter estimated that the questionable future value. Its 52m of the increase was net interest savings from Hanson's rights issue last year, and £32m would be a first time contribution. tion from SCM, the recently acquired US chemicals, typewriters group.

was left for organic profit growth This, it said, suggested that Hanson was itself fore-casting profit growth of less than 2 per cent for all of the

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cent of net worth. Imperial had criticised Hanson's

would be broken up to reduce the debt?" The market would

also have grounds for fearing its performance was unimpressive, whereas the group's record in the US was "one of the most successful of any British comvantes.'

obtained from authoritative sources " and in the absence of ights issue last year, and 250m multiple of less than 11 times forecast earnings and a "manion from SCM, the recently feetly inadequate price."

Mr Martin Taylor, a Hanson we have had little alternative but to continue to press our director, last night declined to comment in detail on Imperial's accusations. saving that the

of 1986.

Imperial argued that if Hanson's bid were to succeed, its borrowings, even when shown net of cash, would rise by more than £1.1bn to well over 100 per advertising capaign in which

### COMPANY NEWS IN BRIEF

swung back into profit in the six months to October 31 1985 in the corresponding period. Ment on preference shares will First half sales improved from be reviewed at year and \$815,450 to £1.14m No. 2-2-£815,450 to £1.14m. No tax was again payable, and earnings per 25p share were 0.22p against a loss of 7.29p. The company makes precision springs and interests in contract

FIFE INDMAR, an egineering company, almost overturned a first half downturn and finished 1985 with slightly lower taxable profits of £318,000 (£322,000). The final dividend is in effect unchanged at 2.75p, which holds the total at 3.5p (3.5p adjusted). Turnover was £14.22m (£12.9m) and complete per share were and earnings per share were 0.35p lower at 3.69p.

JAMES WILKES, maker of turer.

JAMES WILKES, maker of turer.

business forms and equipment, OFFICE & Electronic Machines

Pro-tax profits from shares closed last night at 217p, sion. over of £5.75m (£5.6m). Earnings per share were 16.5p (16.7p adjusted). The final dividend of 3.75p (3.6p adjusted) brings the total to 6.75p (4.8p adjusted).

BIOMECHANICS NATIONAL reduced losses from £421,325 to £351,526 pretax in 1985. Turnover totalled £175,298 (£70,706). The comengineer—its share are traded on the USM. The Paris office incurred a loss of £89,451 and will be closed in April.

AMBER DAY, clothing manufacturer and retailer, announces lower taxable profits of £158,000 for the 27 weeks ended November 30, 1985, compared with £230,000 on turnover of £4.37m

> LADBROKE INDEX 1,290-1,294 ( — 2) Based on FT Index Tel: 01-427 4411

F.S. RATCLIFFE Industries (£4.86m). After tax of £46.000 (£62,000) earnings per share are given as 0.05p (0.41p). There is no ordinary dividend and con-

> LAW DEBENTURE Corporation increased net asset value per 25p share from 198p to 234.1p in 1985. Pre-tax revenue was £2.99m (£2.48m) and earnings per share came to 8.14p (6.87p). A final dividend of 3.55p makes a total of 6.3p

DAVID DIXON: shares in the Yorkshire-based clothing group, were suspended yesterday at 325p, up 25p since the opening, pending an announcement by the company. Earlier this year, the company called off merger talks with A. & J. Gelfer, a Glasgow-based textile manufac-

For example, one of Hanson's US operations had suggested

But Mr Geoffrey Kent, Imperial's chairman, said the information published had been

growth. This, it said, suggested company would demonstrate its that Hanson was itself forecasting profit growth of less than 2 per cent for all of the businesses it would own for all of the businesses it would own for all of 1986.

Imperial argued that if Hanson said yesterday that company would demonstrate its performance in due course. Hanson said yesterday that the company would demonstrate its performance in due course. Hanson said yesterday that the company would demonstrate its performance in due course. Hanson said yesterday that the company would demonstrate its performance in due course. Hanson said yesterday that the company would demonstrate its performance in due course. Imperial shares at 320.5p, raising its stake to 7.7 per cent. On from SCM, which all evidence the performance in due course. Imperial shares at 320.5p, raising its stake to 7.7 per cent. On from SCM, which all evidence the performance in due course. Imperial shares at 320.5p, raising its stake to 7.7 per cent. On from SCM, which all evidence the performance in due course. Imperial shares at 320.5p, raising its stake to 7.7 per cent. On from SCM, which all evidence the performance in due course. Imperial shares at 320.5p, raising its stake to 7.7 per cent. On from SCM, which all evidence the performance in due course.

up 7p on the day, following news that Hillsdown Holdings had increased its stake in the company from 10 per cent to 14 per cent. OEM is the sole UK distributor for Triumph Adler office equipment. Hillsdown, best known for its food business, also has interests in office equip

MP KENT - Mr Michael Kent, founder, has increased his stake in the Bristol Evening Post from 20 to 25 per cent. The purchase, through his private investment vehicle Kent Holdings, makes him the largest single shareholder. The com-pany has offered him a seat on the board which he considering.

REED INTERNATIONAL has disposed of Sphinx, its Dutch subsidiary manufacturing sanisustinary manuactoring sent-tary ware, tiles and refractories, to Algemene Bank Nederland. The sale marks the end of Part's building products divi-

### **DIVIDENDS ANNOUNCED**

<u>.</u>	Date	Corre-	Total	Total
Current	of	sponding	for	last
payment	payment	div.	year	year
Abbott Mead 1.5		-	1.5	_
American Electint. 0.35		<b>—</b> ·	4	
Barclays2nd int. 10.27	Apr 7	8.48*	18.61	16.33*
Cadbury Schweppes 4.3	·	4.3	5.9	5.9
City & Comm 2.28	Mar 31	1.72	4.5	3.62
City and Foreign Inv 1	Apr 11		1	Nil
Сотаћ 2.4	<u> </u>	2.4	4	4
Delaney Group 1.6	May 1	1.4	2.4	2.2¦
Family Trust 5.38	May 15	4.4	8.26	6.9
Fife Indmar 2.75	Apr 28		3.5	3.5*
Instem# 1.5	July 3		2.25	0.5
Law Debenture 3.55	Apr 23	3.25	6.3	5.5
Lex Service 6.5	Apr 17		10.6	10.6
Mitchell Cottstint. 1.5		1.5	_	4.25
Newbold & Burton 1.54		1.54	3.08	3.08
Shires Inv3rd int. 2.5	Apr 25	1.5		12.5
SPP 2	May	Nil	2	Nil
Thermaxint 11	<u> </u>	Nil	_	1
TI Group 8		5	13	10
James Wilkes 3.75	_	3.6*	6.75	4.8*
Williams Hldgs 8	May 9		8	Nil
Dividends shown in pence per sh	are excen	t where o	therwi	se stated

\*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock. ¶Final of 0.525p forecast. ||14 month period.

### Results of Corah pic for the year ended 31st December, 1985

7				
Sales		1985 £'000 96,971		1984 £'000 69,379
Operating Profit		3,551		4,351
Interest	2,135		1,170	
Employee Share Participation Scheme	700	0.004	75	4.045
Exceptional Items	729	2,864		1,245
Net Profit on Ordinary Activities before Tax Taxation Net Profit after Tax Earnings per Share		687 505 182 0.5p		3,106 931 2,175 7.2p
Dividends: Preference Shares Interim paid 1.6p per Share Final proposed 2.4p per Sh		14 551 826 1,391		14 474 824 1,312

### **Extracts from the Chairman's Statement:**

☐ The Results for 1985, which reflect the first full year's trading activity of the Reliance Group acquired in December 1984, are very disappointing.

☐ However, the Board has decided to recommend the maintenance of the final dividend of 2.4p per share net, making a total distribution of 4p per share for the full year. This demonstrates our confidence in achieving a return to a more satisfactory level of profitability in 1986.

☐ Margins are showing some improvement, due mainly to increased selling prices, containment of costs and more favourable raw material prices.

☐ Whilst there has been a slow start to the sale of Spring merchandise in the High Street the overall prospects for 1986 remain promising and current indications are that every division of Reliance will contribute to Group profit in

Corah pic., Burleys Way, Leicester

# GrandMet has slow start hit by weather and weak dollar

group, has been anected by a questionnable to companie several negative influences in the first half of the present to condemn the successful brewing stead, chairman, told yesterday's annual meeting. He said the influences in-

cluded the present weakness of the dollar, which had hit the sterling value of the group's large American earnings. UK betting shops had suffered from the loss of more than 100 race meetings, and an upturn was still awaited in its US fitness

On the other hand, some UK businesses, particularly brewing and foods, were performing well at present.
Mr Grinstead added that it

was too early to give a reliable indication of the prospects for the year. But he said the group's objective was to increase profits year-on-year by

"Given a good summer, I am hopeful we will achieve our weakness of the US dollar."

Grand Met shares fell in response to his cautious remarks, closing at 410p, down

10p on the day.

Meanness of the US dollar."

to about 40 per cent, compared to about 40 per cent in the UK and a little more than 40 per cent by international businesses.

There would be parted.

Grand Metropolitan, the be referred to the Monopolies hotels, brewing and leisure Commission and has distributed group, has been affected by a questionnaire to companies on

financial year but expects to condemn the successful brewing have absorbed the impact by the industry in this country to interim stage, Mr Stanley Grin
operate forever under the operate forever under the threat of investigation," he said. It is difficult to understand why, particularly since the industry has already responded so positively to earlier criticism and the requirements of the market place."

Brewers now controll less than 60 per cent of public houses, against nearly 80 per cent 20 years ago.

Mr Grinstead said this year the company would have the benefit of a full year's trading from two recent US acquisitions.

Quality Care, a medical service, and Pearle Health Services, an eyecare business, and be expecte da measure of recovery from some of the problems of the winter.
The company was committed

a reasonable margin over infla to increasing the level of its US profits to match those of its two other trading areas. In 1985, objective despite the current weakness of the US dollar."

Grand Met character trading areas. In 1985, the US had produced a little to about 40 per cent, compared to about 40 per cent, compared to about 40 per cent.

Mr Grinstead also launched would run against the group. an attack on the Office of Fair Trading, which has warned the brewing industry that it might would benefit shareholders.

### **BOARD MEETINGS**

: 1	TODAY
ŧ	Interims: Consolidated Plantations.
	J. Jarvis. Finals: Alliance Trust, Anglo Ameri-
۱ د	can Industrial, Direk Bryant, STC.
- 1	FUTURE DATES
t	FINALS. Ansbacher (Henry)
۱.	Atlantic Computers Apr 1

# Healey & Baker

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# **Healey & Baker**



To, Investment Partner, Healey & Baker, 29 St. George Street, London W.L Telephone, O1-629 9292.

Please send me a free copy of your latest investment report, together with details of your other services.

Сотрату

Brasilvest S.A.

Net asset value as of 27th February, 1986

per Cr\$ Share: 24,821,284 per Depositary Share: U.S.\$16,660.93

per Bepositary Share: (Second Series) U.S.\$15,645.64

(Third Series) U.S.\$13,314.63 per Depositary Share: (Fourth Series) U.S.\$12,438.69 NOTICE TO ORIGINAL BONDHOLDERS

### **CSR LIMITED A\$ 129,200,000 OPTION BONDS 1992**

This is to remind Original Bondholders in accordance with Clause 15 (A) (xviii) of the Trust Deed, that from 7th April 1986 Original Bondholders will be entitled to convert fully paid Option Bonds into Ordinary Shares of AS 1.00 of CSR Limited at the rate of 100 Ordinary Shares for each A\$ 380 principal amount of fully paid Option Bonds so converted.

Bankers Trust Company, London

Principal Conversion Agent

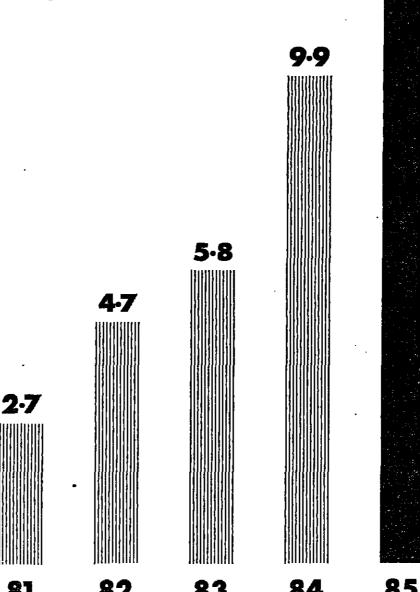


# Another record year

12.9

Earnings per share (pence)

"which have compounded at 48% per annum since 1981"



27,510 Net earnings from operations £(000) 22,748 9,842 1,853 81 82 83

> "Hawley is now well positioned to take full advantage of the opportunities of sizeable internal and acquisitive growth."

**MA Ashcroft** Chairman and President

If you would like a copy of the 1985 Annual Report, apply to: Prospect House, The Broadway, Famham Common, Slough, Berkshire SL2 3PQ.

Pacer Systems . . . a design, development and support group serving defence markets.

### **Preliminary Announcement 1985**

	1985 \$000s	1984 \$000s
re tax	1,145	573
tax	595	313
	17,037	12,279
(undiluted) (diluted)	\$0.16 \$0.14	\$0.10 \$0.09
	tax (undiluted)	\$000s re tax 1,145 tax 595 17,037 (undiluted) \$0.16

The abridged profit and loss account for the year ended 31st December 1985 is an extract from the Report and Accounts upon which the auditors have given an unqualified report.

### Highlights 1985

- ★ Pre-tax profits up 90%
- ★ Turnover up 38%
- ★ Improved order book to \$45 million, a 50% increase over 1984

Copies of the Report and Accounts will be posted to shareholders on the 2nd April 1986. Copies may be obtained from Pacer Systems, Inc., Airwork House, 35 Piccadilly, London W1V 9PB

### U.S.\$100,000,000

### **Citizens Federal Savings** and Loan Association

Collateralized Floating Rate Notes due 1996

For the six months 5th March, 1986 to 5th September, 1986 the Notes will carry an interest rate of 8.025% per annum and an interest amount of US\$1025.42 per US\$25,000 Note.

Bankers Trust Company, London

Agent Bank

### **UK COMPANY NEWS**

# Electronics fall leaves Lex halved

on the US electronic component side has left pre-tax profits of Lex Service halved at £23.6m for 1985, compared with £46.8m. After tax of £9.8m (£19.4m)

earnings per share are shown as 17.6p, against 34.7p, while the dividend is maintained at 10.6p with a same-again final payment

The directors explain that while the automotive distribution and leasing businesses had another successful year, the company experienced a severe downturn in demand for electronic components, particularly semiconductors.

Management of the group's electronic component businesses continue to take prudent measures to improve profitability, directors say. While there are indications, particularly in the US, that demand for these products is increasing from the low level of 1985, the company is

**Menvier-**

joins USM

Menvier-Swain, the emer-gency light and fire alarm

maker which last week unveiled plans for a USM flotation, yesterday announced the placing of 1.8m shares at 120p through Schroders, the mer-

The price gives a market capitalisation of £13.3m,
Pre-tax profits after direc-

year to April 1986, putting the

making emergency lighting sys-tems and fire alarms for offices,

factories and public buildings.

The company claims 25 per cent of the market for emergency

lights and a small but growing share of the fire alarms

Other activities involve elec-

trical and mechanical subcon-tracting, and making minia-turised electronic circuits for

customers' requirements.
Of the shares being placed.
58 per cent are now shares.

and the rest are being sold by existing shareholders. The flota-

tion will raise just over £1m net which the prospectus says will be used to cut borrowings.

provide working capital and finance capital spending.

**Swain** 

chant bank.

market for passenger cars in the UK remained buoyant and Volvo concessionaires increased its sales and market share.

Mr Trevor Chinn, chairman and managing director, says that overall results for 1986 will that overall results for 1986 will be materially affected by the performance of the electronic component distribution industry and, in particular, by the demand for semiconductors. Steps taken by manufacturers to bring production more closely into line with demand and the similine with demand and the

against the yen, "are assisting in the recovery of prices."

not yet sure that this improvement will be sustained.

Directors say the current year has started well for the automotive distribution businesses.

In the first two months the (£6m); US £270.8m (£421.3m) the shares closed 14p lower at tion — UK £588.1m (£514.8m) 321p. On the face of it there is not much encouraging about a component distribution — UK 50 per cent fall in pre-tax profits. However, such a result was fully anticipated, and the first two months the and £2m loss (£19.9m profit); West Germany and France £43.4m (£43.8m) and £0.7m loss (£3.7m profit); transport — UK £73m (£63.9m) and £3.7m (£0.5m); other activities — UK

£2.1m (£15.8m) and £0.2m (£1.3m); US £12.6m (£77.6m)

### and £0.2m (£2.1m). comment

lu the last nine months the market has changed its mind about Lex's depressed rating. While the company's prospects have improved they have not significant fall of the US dollar improved as much as a doubling of the share price would suggest Turnover for the year amounted to £1.04bn, compared despondency was overdone, so with £1.2bn and with trading profits of £33.2m (£64.4m) were of the share price would suggest and release valuable ment time. On profits was the flurry of excitement this year the shares profits of £33.2m (£64.4m) were before yesterday's results, and prospective p/e of 14.

troublemaking component distribution business is certainly over the worst. Even so, the tone of the statement was rightly cautious, and although a recovery in terms of component price and market share—as a stronger yen saps Japanese com-petition—can be expected, it may not come through either at once or overwhelmingly. Volvo Concessionaries, which saved Lex's skin in 1985, has started this year well with the introduction of the new 700 series. Meanwhile the sale of the perceive operations will reduce parcels operations will reduce gearing to under 10 per cent and release valuable manage-ment time. On profits of £32m

this year the shares are on a

# Reliance cuts Corah profit

comment

being borne out by the trading results of recent months

Corah's results are lamentable.

The Reliance acquisition, which

last year seemed such a good

idea as it provided much needed

sewing capacity, now looks if not quite a disaster, at least an expensive purchase. The com-

pany was in much worse condi-

tion than Corah had thought,

and has proved a greedy con-sumer of Corah's scarce cash. While Reliance should make

money this year, the fact that

the two small acquisitions made by Corah in 1984 are now

making losses, is a poor adver-tisement of its managerial

skills. All this would have

mattered less if Corah's core

businesses had seen a good year, but margins there were squeezed from both sides. How-

ever, for this year prospects are

the shares at yesterday's close

apart, the shares have little going for them, and gearing of nearly 65 per cent is a cause for concern. If Corah could produce a decent set of results,

a rights issue might not be far

AFTER £729,000 exceptional charges, the pre-tax profit of Corah has fallen from £3.11m to £687,000 for 1985. The results include Reliance Group, whose trading difficulties proved more severe than originally antici-

The dividend however, is unchanged at 4p net per share, the final being 2.4p Mr Nicholas Corah executive chairman says this demonstrates confidence in achieving a return to a more satisfactory level of profitability in the current year.

The group produces knitted clothing and fabrics, and has important trading links with Marks and Spencer and other high street retailers.

tors' emoluments rose from £158,000 in the year to April 1981 to £853,000 last year. At least £1.57m is forecast for the Mr Corah says there has been a slow start to the sale of shares on a prospective p/e ratio of 13.5 after 43 per cent Spring merchandise in the high street but the overall prospects for 1986 remain promising, and current indications are that every division of Reliance will contribute to profit.

Performance in manufacturing and margins improved in November and December and this has continued. The exceptional charges for

this year relate to Reliance — £375,000 is bank interest is bank interest temporary tion of funds to support build-up of production, and £354,000 for the loss on the disposal of excessive substandard underwear and sock stock.

In the year group sales rose from £69.38m to £96.97m and the operating profit fell to £3.5m (£4.35m). Mr Corah says margins remained difficult. Difficulties have proved more than half of the raw material is in dollar based cot-



Mr Nicholas Corah, chairman

ton yarn and the strong dollar increased the cost by some £1.25m. Interest charges shot up from £1.17m to £2.14m and left the pre-tax and exceptional item profit at £1.42m (£3.11m). brighter, as sterling cotton prices are lower, and there is some evidence of increases in selling prices The decision to maintain the dividend was of The chairman says in the Corah operation underwear, the largest production group, was hit by the increased cost of raw materials and high street com-petition, and experienced a subgreater moment to the market than the text of the results, and stantial reduction in profit. The of 59½p are firmly supported by knitwear side showed encourage a yield of 5.6 per cent. Dividend

ing growth. Turning his attention to Reliance, Mr Corah tells share-holders that although in recorded total losses of £3.3m in the eight months to Decem-ber 31 1984 it was bought with

# IN BRIEF

FAMILY INVESTMENT Trust raised net asset value per 25p share from 265.7p to 309.9p in the year to January 31 1986. Net earnings for the period improved from £303,940 to £377,721, after an increased tax charge of £164,921 (£131,549), and the dividend for the year and the dividend for the year is being stepped up by 1.35p to 8.25p net via a final of 5.375p. Earnings per share totalled 8.5p (6.91p). Total gross revenue amounted to £647.811 (£526.038). Mr B. C. Siddons, a director of Kleinwort Benson Investment Management, has been appointed a director of the company.

director of the company. CITY & COMMERCIAL Investment Trust says its net asset value per £1 capital share increased from 838.6p to 924.7p in the year to January 31 1986. The final dividend is increased from 1.72p to 2.279p net for an increased total of 4.502p (3.615p), and stated earnings per share were 4.502p against 3.615p. Pre-tax revenue was up from £1.24m to £1.55m, Dividends and interest amounted to £1.38m (£1.14m); deposit interest was up from £194,000 to £288,000, and underwriting and other commissions totalled £22,000 (£25,000). Expenses and interest charges were higher at \$134,000 (£121,000) and tax was £486,000 against £382,000.

GREENWICH RESOURCES' annual meeting learned yesterday that the company had made its most significant gold find to date in the Gebeit area of Sudan. Mr M. R. Bichan, chairman of the precious metals exploration and mining concern. also announced plans to sign a contract this month to buy a new gold processing plant in a joint venture with the Egyptian Government.

CITY AND FOREIGN Investment announced net revenue before tax up from £18.555 to £49.295 for the year 1985. The final dividend is 1p, the first for two years. Earnings per share were 0.78p (0.38p) and net asset value per share was 1414p at the year end (159.5p).

INSTEM, USM-quoted electronics

Financial Times Friday March 7 1986

# TWO KEY DATES FOR THE MOTORING WORLD

April 26th to May 1st 1986

- All spheres connected with integrated transportation and the automobile industry.
- The spare parts, component parts and accesory industry. · Equipment for garages, work shops casting, torging, etc.
- Bicycles, mo-peds, motor cycles, and everything connected with the manufacture and marketing of
- Lubricants and similar products connected with the automobile in-
- Equipment for handling and haulage of material for assembly chains, conveyor belts and transportation bands. Land, sea and air transport, freight and carriage.

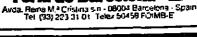
### 2nd to 10th May 1987



EXPOMOVIL

- Cars. Motor homes.
- Lorries commercial vehicles, industrial vehicles, special trans-portation vehicles and car was-
- Coaches, buses and minibuses. · Parts, components parts, spare
- parts, and accessories. • Bicycles, mo-peds, motor cycles
- Garage, repair shop and service equipment. ■ Lubricants.
   ■ Competition section.





Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the Ordinary Shares of MENVIER SWAIN GROUP pic in the Unitsted Securities Market. It is emphasised that no application has been made for these securities to be admitted to listing A proportion of the Shares being placed may be available to the public through the market.



### MENVIER-SWAIN GROUP plc

Placing by

J. Henry Schroder Wagg & Co. Limited

1,800,000 ordinary shares of 5p each at 120p per share payable in full on application

Issued and being issued (all fully paid or credited as fully paid) £556,323

Ordinary Shares of 5p each The principal business of the Group is the design, manufacture and sale of emergency lighting and fire alarm products. In addition, the Group has an increasing presence as a manufacturer of miniaturised electronic circuits known as thick film products and is involved in electrical and

mechanical contracting and other services, Particulars relating to the Company are available in the Extel Unlisted Securities Market Service and copies may be obtained during usual business hours up to and including 21st March. 1986, from:

3.00000000

J. Henry Schroder Wagg & Co. Limited 120 Cheapside, London EC2V 6DS

Phillips & Drew 120 Moorgate, London EC2M 6XP 7th March 1986

# Hongkong Land

### **Dividend Restored**

1985 witnessed further improvements in both profit and cash flow. Together, these have allowed a meaningful dividend to be proposed for the first time in three years.

The balance sheet has been strengthened substantially with debt decreasing and shareholders' funds increasing. Property values continued to improve. Net borrowings as a percentage of shareholders' funds are now down to 64% from 104%.

1985	1984
	Dollars
\$551 m	, \$354м
<b>23.6</b> ¢	16.5¢
15¢	1¢
\$10,542м	\$14,338м
\$16,480m	\$13,832м
\$7.12	<b>\$6.45</b>
	\$551 m 23.6¢ 15¢ \$10,542m \$16,480m



### The Hongkong Land Company Ltd

The 1985 Report and Accounts will be available on 9th April 1986.

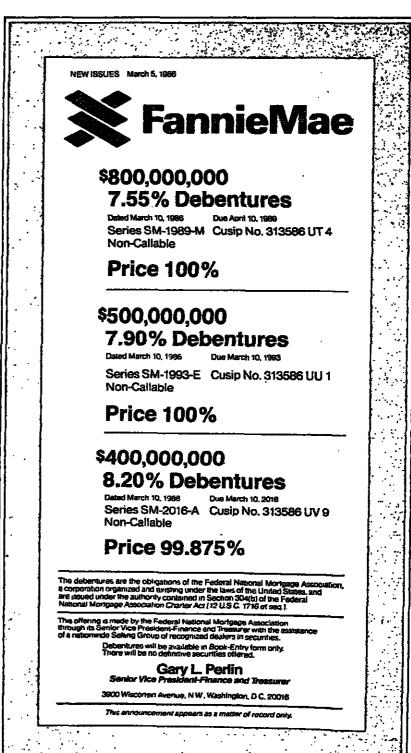
Copies may be obtained from: Group Communications,

The Hongkong Land Company Ltd, One Exchange Square, Hong Kong. Telex: 75102 LANDS HX

entre de la <del>l'Equal description</del> de la company de la comp

DELANEY GROUP, the furniture maker and distributor, reported pre-tax profits of £660,000 for 1985 against £656,000 for the 14 months to the end of 1984. Turnover was £8.04m (£6.89m), and earnings per share dropped from 4.16p to 3.93p. The final dividend is 1.6p (1.4p), bringing the total to 2.4p (2.3p).

group, increased pre-tax profits by 35 per cent from £646,000 to by 35 per cent from £646,000 to £872,000 in the year to December 27 1985 on turnover ahead at £6.06m £4.35m). Earnings per 10p share rose from 8.85p to 11.23p and the total dividend is 2.25° with a 1.5p final. A single 0.5p was paid in 1984. Tax took £367.000 £274.000).



### **UK COMPANY NEWS**

# Argyll fails to block new Guinness bid

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE Argyll Group's legal move to block a revised bid by Guinness for the Distillers drinks group failed in the High Court

yesterday.

The court rejected Argyll's allegation that a reference to

allegation that a reference to the Monopolies and Mergers Commission of Guinness's original bid had been wrongly laid aside by the Commission's chairman. Sir Godfray Le Quesne, QC.

Mr Justice Macpherson said that Sir Godfray had acted within his legal powers and had been entitled to accept the word of Guinness and Distillers that the original merger proposal of January 13 had been abandoned.

Guinness's revised bid, made the day after the reference of the first had been laid aside. was "so obviously different in important matters that it has left the old bid behind rather like a discarded skin," the judge

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Frenche -

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opposed bid for Distillers, is to appeal against the ruling.

It had asked that both the decision on February 19 to lay aside, and the Secretary of State for Trade and Industry's consent to the laying aside, should be quashed. The company also sought a declaration that the agazene which had the agazene.

mission or a group of its members, Sir Godfray exceeded his powers under the 1973 Fair holders the likelihood of a lower bid than might otherwise

Also. Argyll contended, he be the case.



Protagonists in the High Court: Sir Godfray Le Quesne, QC (left), chairman of the Monopolies Commission, and Mr James Gulliver, chairman of Argyll

like a discarded skin." the judge ought not to have concluded on said.

Argyll, which has made an Guinness bid had been abanon both grounds.

Argyll had argued that Sir

for Trade and Industry's consent to the laying aside, should be quashed. The company also sought a declaration that the reference, which had the effect of lapsing the Guinness bid, was railed and subsisting.

Argyll's argument, contested by the Commission, Guinness and Distillers, was that, in acting on his own, instead of leaving the decision to the whole Commission to the whole Commiss

NOTICE OF REDEMPTION

THE PROCTER & GAMBLE COMPANY

Extendible Notes Due December 15, 1994

NOTICE IS HEREBY GIVEN that, pursuant to paragraph 7(c) of the Terms and Conditions of the Notes described above (the "Notes") the Company has elected to and shall redeem on March 31, 1986 (the "Redemption Date") U.S. \$53,000,000 aggregate principal amount of Notes at a redemption price of 101% of the principal amount thereof (the "Redemption Price"), plus accrued interest from December 15, 1985 to the Redemption Date in the amount of \$32.02 for each \$1,000 principal amount of Notes. The serial numbers of the Bearer Notes selected for redemption are as follows:

OUTSTANDING BEARER NOTES IN THE DENOMINATION OF U.S. \$1,000 EACH BEARING THE FOLLOWING SERIAL NUMBERS:

OUTSTANDING BEARER NOTES IN THE DENOMINATION OF U.S. \$10,000 EACH BEARING THE FOLLOWING SERIAL NUMBERS:

The Notes shall become due and payable on the Redemption Date at the Redemption Price, plus accrued interest, which shall be paid upon presentation and surrender of the Notes, together with all coupons thereto appertaining maturing after the Redemption Date, at the paying agents listed below.

The Notes to be redeemed will no longer be outstanding on and after the Redemption Date, interest on the Notes will cease to accrue from and after the Redemption Date, the coupons for such interest shall be void, and the sole right of a Note holder shall be to receive the redemption price plus interest accrued on such Note to the Redemption Date.

Payments at the office of any paying agent will be made by check drawn on a Bank in New York City or by transfer to a dollar account maintained by the payee with a bank in Europe. Following this redemption, U.S. \$97,000,000 aggregate principal amount of Notes will remain

PAYING AGENTS

THROUGH

doned.

The judge said that ti was Godfray erred because he plain that for all three companies there were very large sums of money and very big issues at stake.

Argyll had argued that Sir Godfray erred because he focused on the earlier Guinness offer had considered it abandoned when all that happened had been the emer-

That specific proposal had been the particular bid made by Guinness on January 20, which had been referred to the Commission by the Secretary of

State, and it had been that that Sir Godfray had considered.
The judge rejected Argyll's argument that such a view of Not only had Sir Godfrey's

refer the new bid; a revised or essitate the appointment of a marginally increased bid group, or a session of the whole involved much expense and was most unlikely to be undertaken lightly.

The state of the appointment of a marginally increased bid group, or a session of the whole commission, t otake the pre-liminary view that a proposal had been abandoned.

In a clear case of abandon-ment, how could it be anything other than ritual to require either the Commission, or a legal costs of the Commission,

Not only had Sir Godfrey's argument that such a view of the Commission's task would drive a coach and horses through the Act, enabling a bidder to escape a reference by making a marginally increased offer.

There was real protection against that, the judge said. An abandonment was subject to the minister's consent he could diate abandonment should necessary to take the could diate abandonment should necessary. minister's consent; he could diate abandonment should nec-

The purpose of section 75(5)

of the 1973 Act, under which
Sir Godfray had acted, as to
allow the Commission to clear
its decks without having "to
exercise its functions on a
corpse."

The purpose of section 75(5)

The judge said that he would have been most unhappy to have had to decide that "this eminently sensible, practical and speedy process" had been beyond Sir Godfray's power, "But I am not forced to a conclusion

The purpose of section 75(5)

The judge said that he would have been most unhappy to have had to decide that "this eminently sensible, practical and speed young the process had been abandoned.

The judge said that he would have been most unhappy to have had to decide that "this eminently sensible, practical and speed young the process had been most unhappy to have had to decide that "this eminently sensible, practical and speed young the process had been beyoung the process of th

other than ritual to require either the Commission, or a legal costs of the Commission, group, to propose laying aside the reference, the judge asked.

He ordered Argyll to pay the legal costs of the Commission, the Secretary of State, Guinness and Distillers.

### Abbott Mead ahead of forecast with £2.25m

Abbott Mead Vickers, one of onto the stock market in Novemthe UK's fastest growing ber on the strength of profit advertising agencies, has beaten projections of £2.1m and David its 1985 profits forecast of £2.1m Abbott's wordsmithery. The made in the November pros- shares have already gained 48p pectus. Pre-tax figures for the year ended December 31 jumped from £887,000 to £2.25m. The increase over forecast was largely due to higher client spending during December. Gross billings climbed from £34.38m to £50m, against a pre-diction of £47.5m when the

company came to the market.

Directors say the year ended on a high note with two new business gains, Sealink and the corporate advertising account of Ladbroke. The current year has also started well with new hurings from Total to the control of the current of business from Tefal, an existing client, and a successful pitch for the Pork Farms account, a division of Northern Foods. The public flotation has

created consideral additional interest and business activity is very encouraging, the company Abbott has budgeted for significant additional staffing during 1986 to ensure that its

growth is not only rapid but

As predicted in the pros-pectus, there is a final dividend of 1.5p net. Stated earnings per share rose sharply from 3.64p to 10.54p. after tax of £984,000 (£450.000). comment

Abbott Mead Vickers sailed p/e of 16.

on their placing priceand when the agency just pipped its own profit forecast the market left unchanged at 228p. Abbott Mead Vickers has already collected four new accounts since the flo-tation and is actively searching for more, including the one for Thames Television's flotation Given that the accounts are concentrated in just one fifth of the main advertising categories there is lots of scope for organic growth without running the risk of client conflict. The prospectus paid lip service to the acqui-sitiviness that the City seems to expect from every advertising agency. But there are so many agencies chasing so few public relations and sales promotion consultancies that the directors have sensibly, decided to wait until the right opportunity comes along. International expansion, possibly in conjunction with Scali McCable Stoves, the American agency which owns nearly 25 per cent of its equity, looks more likely. But 1986 should be a year of consolidation as it expands its staff and augments facilities. The City ex-

# **CPU Computers perks up** and sees growth ahead

THE SIX months to December products introduced, tighter 31 1985 saw turnover of CPU controls have been instigated at Computers remain static at all levels and UK borrowings £7.76m, but profits at the pre-tax have been drastically reduced. level surge from a depressed £10,000 to £251,000.

Furthermore, the directors are confident that the better conditions becoming apparent in the UK, together with the restructuring of the UK opera-tions and the continuing growth of Synelic, will enable the

group to resume and maintain a steady growth.

To bring all the divisions into the same accounting period the year-end is being changed to end-December. Statements will be presented for the 12 months to June 1986 and for the six months to December 1986. Thereafter, statements will be audited to December 31 each year. The dividend situation will be reviewed at the end of

the financial year.
The group's UK operations have undergone a major restructuring. New management has been appointed, new

pects profits of £2.9m for the

next financial year, producing a

LSI has continued to strengthen its exclusive franchise network and the division achieved a modest growth during the period. LSI software made a contribution to group profits.



### THE INDUSTRIAL DEVELOPMENT BANK OF INDIA (LD.B.L)

Medium Term Loan Facility US \$ 25,000,000

Lead Managed by

BANQUE PARIBAS (LONDON) . CREDIT DU NORD

MIDLAND BANK INTERNATIONAL

NATIONAL WESTMINSTER BANK GROUP

Provided by

MIDLAND BANK PLC INTERNATIONAL WESTMINSTER BANK PLC **CREDIT DU NORD** PARIBAS FINANCE LIMITED

ASSOCIATED JAPANESE BANK (INTERNATIONAL) LIMITED SAUDI INTERNATIONAL BANK ITALIAN INTERNATIONAL BANK PLC NIPPON EUROPEAN BANK S.A. LTCB GROUP

**BANQUE PARIBAS (LONDON)** 

THIS ADVERTISEMENT DOES NOT AND IS NOT INTENDED TO FORM THE BASIS OF ANY OFFER OF THE SHARE CAPITAL OF, OR THE UNDERTAKING OR ASSETS OF, NATIONAL HOLIDAYS LIMITED.

# **NATIONAL HOLIDAYS** LIMITED

National Holidays Limited ("National Holidays") is engaged in the marketing of United Kingdom and continental coach holiday tours. National Holidays is a wholly-owned subsidiary of the National Bus

Barclays Merchant Bank Limited has been instructed by the National Bus Company to find a purchaser for National Holidays. Barclays Merchant Bank Limited, on behalf of the National Bus Company, will, at its discretion, make available further information to interested parties upon request. It should be noted, however, that the consent of the Secretary of State for Transport is required to the disposal.

Any person or company interested in acquiring National Holidays should contact Brian C Granger, F.C.A., Board Member, National Bus Company, or Philip J Dayer, Director, Barclays Merchant Bank Limited, at the addresses set out below.

NATIONAL BUS COMPANY 172 BUCKINGHAM PALACE ROAD EBBGATE HOUSE **LONDON SW1W 9TN** TELEPHONE: 01-730 3453

BARCLAYS MERCHANT BANK LIMITED. **2 SWAN LANE LONDON EC4R 3TS** TELEPHONE: 01-623 4321

This advertisement is issued on behalf of the National Bus Company by its financial advisers, Barclays Merchant Bank Limited.

Morgan Guaranty Trust Company of New York Morgan House, 1 Augel Court London EC2R 7AE, England Morgan Guarauty Trust Company of New York Avenue des Arts 35 B-1040 Brussels, Belgium

Union Bank of Switzerland

Morgan Guaranty Trust Company of New York Mainzer Landstrasse 46 6000 Frankfurt-am-Main West Germany

Amsterdam-Rotterdam Bank N.V. Herengracht 595 Amsterdam The Netherlands

THE PROCTER & CAMBLE COMPANY By: Morgan Guaranty Trust Company
OF NEW YORE, Fiscal and Paying Agent

Dated: February 27, 1986

CH-8021 Zurich



### **Bayerische Vereinsbank** change of address of London Branch effective 10th March, 1986

Bayerische Vereinsbank AG, London Branch 1, Royal Exchange Buildings, London EC3V 3LD Telephone (01) 626 1301 (general), (01) 283 4851 (dealing) Telex 889 196 bvl g (general), 881 3172 bvlfx g (dealing) SWIFT: BVBE GB 2L

Bayerische Vereinsbank AG, Head Office Munich, International Division Kardinal-Faulhaber-Strasse 1, D-8000 München 2



**Notice of Redemption** 

### **Aetna Life and Casualty** International Finance N.V.

Guaranteed Retractable Notes Due 1997

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of April 15, 1982 among Aetna Life and Casualty International Finance N.V., (the "Company"), Aetna Life and Casualty Company, (the "Guarantor") and The Chase Manhattan Bank (National Association) as Fiscal Agent and Paying Agent, all the above-mentioned Notes (the "Notes") will be redeemed on April 15, 1986 (the "Redemption Date") at the price of 100.00% of their principal amount, together with interest accrued to the Redemption Date. Payment will be made upon presentation and surrender of the Notes at the below listed paying agencies, together with all appurtenant coupons maturing subsequent to the Redemption Date. The amount of any missing, unmatured coupons will be deducted from the sum otherwise due for payment. Interest on the Notes shall cease to accrue from and after the Redemption Date. from and after the Redemption Date.

Payments will be made at any of the following paying agencies listed below:

The Chase Manhattan Bank, N.A. Corporate Sinking Fund Operations Box 2020, 1 New York Plaza-14th Floor New York, N.Y. 10081

The Chase Manhattan Bank, N.A. Woolgate House, Coleman Street London, EC2P 2HD, England

The Chase Manhattan Bank, S.A. (Luxembourg)
47 Boulevard Royal
Luxembourgville, Luxembourg Attention: Securities Dept.

Banque de Commerce, S.A. 51/52 Avenue des Arts B-1040 Brussels, Belgium Attention: Securities Dept.

Chase Manhattan Bank (Switzerland) Genferstrasse 24, Postfachie 162 8027 Zurich, Switzerland Attention: Securities Dept.

Aetna Life and Casualty International Finance N.V.

By The Chase Manhattan Bank (National Association). Fiscal Agent and American Paying Agent

Dated: February 28, 1986

### Credit Suisse Finance (Panama) S.A.

1134% Guaranteed Notes, Series A, due 1992 and

100 000 Warrants to subscribe

# US\$ 100 000 000.– 11¾% Guaranteed Notes, Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the Terms and Conditions of the captioned issues, that US\$ 10 000 000 principal amount of Series A Notes have been drawn for redemption at

The serial numbers of the 10 000 Series A Notes of US\$ 1 000 each, drawn for redemption and representing US\$ 10 000 000 principal amount, are as follows:

The Notes thrown for reckamption will become due and payable on April 8, 1986 together with Con and after April 8, 1986 to Series A price some of the period from February 13, 1986 to April 8, 1986 together with Con and after April 8, 1986 to Series A price some to bear interest.

The Notes drawn for redemption will become due and payable on April 8, 1986 together with accrued interest for the period from February 13, 1986 to April 8, 1986

On and after April 8, 1986 the Series A Notes so redoemed shall cease to bear interest. As of this date, the outstanding principal amounts are:

Series A Notes: US\$ 38 000 000.— Series B Notes: US\$ 62 000 000.—

Zurich, March 7, 1986

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CREDIT SUISSE
As Fiscal and Principal Paying Agent

# **APPOINTMENTS**

# Group treasurer for Shell

Mr M. Harvey, head of finance, investment and information division in the European regional organisation, Shell Internationale Petroleum Maatschappij, has been appointed group treasurer in succession to Mr D. R. Welham from July 1 when Mr Welham from July 1 when Mr Welham hecomes group managing director of the ROYAL DUTCH/SHELL GROUP.

Mr Geoffrey Heywood is to retire as senior partner of DUNCAN C. FRASER & CO on April 30. He will remain a partner, and will be succeeded as senior partner on May 1 by Mr Peter E. Felton, at present joint senior partner.

Mr N. P. H. Webster has been appointed a director of WILLIAM BAIRD. He was a director, and company secretary of Debenhams. He will succeed Mr A. F. Wylle as finance director and company secretary on July 31. Mr Wylle will remain on the board in a non-executive capacity. Mr N. P. H. Webster has been

....AMEC, a construction and engineering group, has appointed Mr John Early as finance director from March 31. He was a senior executive partner with Armitage and Norton, joint auditors of AMEC, and was chairman of Armitage Norton Consultants.

Mr Peter Lod Marshall, deputy chief executive and financial director of The Plessey Company, has joined the board of OCEAN TRANSPORT & TRADING as a non-executive director

### New chief for the Woolwich

Mr Alan Cumming has been appointed executive vice chairman of the WOOLWICH BUILD-ING SOCIETY. He was its chief general manager. The new chief executive is Mr Donald Kirkham, formerly deputy chief general manager. Mr Edwin Phillips, currently vice chairman, becomes senior vice chairman, becomes senior vice chairman.

Mr Ian Bacon and Mr Jeremy Burchell have been appointed managing directors of PROTECH INTERNATIONAL (UK) in place of Mr Stuart Garner who has left to pursue other busi-ness interests. Mr Bacon, who has been a member of Protech's has been a member of Protech's senior management team since 1973, will be responsible for all operational and marketing functions, while Mr Burchell, who has been with the company since 1975, will have responsibility for financial and legal affairs.

BRITISH RAILWAYS has retiring on April 30, and will be appointed Mr Brian Burdsall. Succeeded by Mr John L Hill, as Railfreight's national business manager for petroleum traffic, as director parcels, from March 24. He succeeds Mr Mike Connolly who retires who retires next month.

Mr F. R. Ball has been appointed managing director of SAACKE UK company of West German combustion and energy group. Mr Ball was with Stothert & Pitt and formerly managing director of NEI Cochran. Mr J. D. Wells reliquishes the post of managing director and becomes deputy chairman. pointed managing director of

Mr Stuart Fowler and Mr Roy Gillson have been appointed to the board of HILL SAMUEL INVESTMENT MANAGEMENT. At the meeting of the council of the ROYAL WARRANT HOLDERS ASSOCIATION held on March 5 the president, Count Alain de Vogüe, retired on completion of his year of office. The council elected the following officers to serve for the ensuing year: President: Mr Timothy Sandeman, Vice president: Mr Graeme J. Wilson, and hon treasurer: Mr Edward Rayne.

management services division, Shepherd Construction.

Mr Mike Egan has been appointed a director of BRANT-FORD INTERNATIONAL, freight forwarding subsidiary of the Furness Withy Group.

Mr Keith Rushion has been appointed joint chief executive of WAYNE KERR. He was managing director of Transtel and on the board of the Extel Corporation.

Mr Thomas G. Dramby has been appointed senior vice president, credit administration, for Security Pacific EuroFinance Inc. London, a subsidiary of Los Angeles-based Security Pacific Corporation.

VISNEWS has appointed Mr Gerry Sadler as group marketing manager. He was managing director of Rank Video Services.

Mr W. J. Cheetham has been appointed technical director, Stafford division of GEC MEASUREMENTS. He was chief engineer of the division.

SYSTEMS DESIGNERS has separated its European and US operations into autonomous groups. Mr Tony Lennard, one of the company's founder directors, has been appointed managing director of Systems Designers Europe, holding company for UK and Continental operations. Mr Charles Gesme, president of Warrington Associates Inc, the financial services company based in Minneapolis. Minnesota, acquired by Systems Designers a year ago, has been appointed a main board director responsible for all the group's operations in the US. SYSTEMS DESIGNERS has

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by.

PENSORD PRESS, magazine printing subsidiary of Aspen Communications, has appointed Mr Brian Allen as deputy managing director.

Mr J. K. Bryers joins the board of INTERNATIONAL THOMSON ORGANISATION on March 10 as personnel director.

Mr C. R. Whyte has been appointed managing director of A. L. DUNN & COMPANY, Nuncaton. He was the temporary managing director and previously was managing director of Robert Hudson (Raletrux). FORD & WESTON GROUP

has appointed Mr T. Peter Whitehead as a divisional chief executive, with responsibility for several subsidiary companies. GEORGE BALLINTINE AND

SON has appointed Mr Hector MacLennan regional sales director. He was Scottish sales manager.

### **Joining Vickers** board

VICKERS has appointed Mr Martin Taylor, a director of Hanson Trust since 1976, as a non-executive director from non-executive director from March 27. This is his first external directorship.

Gillson have been appointed to the board of HILL SAMUEL INVESTMENT MANAGEMENT.

At the meeting of the council of the ROYAL WARRANT HOLDERS ASSOCIATION held on March 5 the president, Count land of Vogile, retired on completion of his year of office. The council elected the following officers to serve for the ensuing year: President: Mr Timothy Sandeman, Vice president: Mr Graeme J. Wilson, and hon treasurer: Mr Edward Rayne.

CHAMBERLAIN PHIPPS has made the following changes from April 1: Mr Brian Chamberlain, chief executive since 1975, will retire from his executive duties but will remain deputy chairman, Mr David Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the board in 1982, will succeed Mr Brian Chamberlain, who joined the Sections of the show of the board in 1982, will succeed Mr Brian Chamberlain, who joined the Brian Chamberlain, who joi

### CROSSLAND SAVINGS, FSB

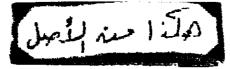
U.S.\$100,000,000 Collateralized Floating Rate Notes, Series A due December 1937

For the three months
5th March 1986 to 5th June 1986 the Notes
will carry an interest rate of 8%% per annum with an
interest amount of U.S.\$2108.33 per U.S.\$100,000 nominal
The relevant interest payment date will be
5th June 1986

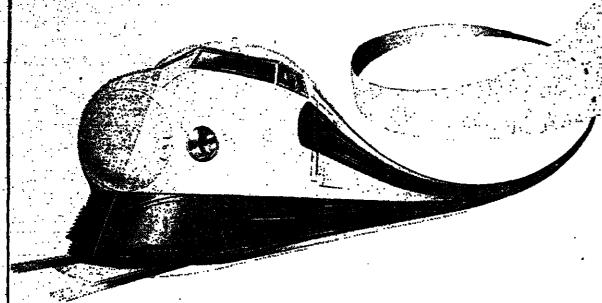
Listed on the Luxembourg Stock Exchange

Bankers Trust Bankers II us. Company, London

Agent Bank



# How to unravel the Japanese market faster than a speeding bullet.



Everyone recognizes the exciting investment potential of Japan's stable and active economy. A lack of first-hand knowledge of this vibrant

market, however, may result in a clouding of

opportunities. But one thing is clear — Yamaichi, through their age and experience, offer the most effective guidance possible. With rapid evaluation of current developments. Obtainable through our unique Total Information Service (TIS), an on-line computer network, linking you with our global offices for up-to-the-minute data.

We also offer a creative use of surplus yen funds through our innovative Automatic Cash Management System (ACS), as part of our total and tailored investment service.

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\$400,000 p.; or more warm \$400,000 p.; or tell you how you can help us to care by cash donations, covenants etc

Company Notices

THE HOLDERS OF **5% DEBENTURES 1978-1987** 

> OF THE **DEAD SEA WORKS**

LIMITED

Notice is hereby given that in the drawing held on the 27th day of February 1986 under the supervision of the trustees, debentures of group 5 were drawn for redemption on the 31st day of March 1986.

Repayment to the holders of bearer certificates of this group will be made by the Dead Sea Works Ltd against presentation of the debenture certificate(s) and interest coupon No. 20, to Bank Leuril Le Israel B.M. P.O. Box 2, Tel-Aviv 61000 Israel. Repayment to the holders of registered certificates of this group will be made by the Dead Sea Works Ltd., upon receipt by them of the certificate(s) at P.O. Box 29452 Tel-Aviv 61293 Israel.

Bank Leumi Le Israel Trust Company Ltd as Trustees

HARMONY GOLD MINING

Secretaries per: A. R. HOLT

per: A. R. MOLT
Registared Offica:
15th Flore—The Corner House
83 For Street
Johannesburg 2001
(P.D. 80x 52370, Marshallbown 2107)
Beoretaries to the United Kingdom:
Charter Consoliated Services Limited
40 Holborn Viaduct
London EC1P 1AJ
Leited Kingdom Registraria,
Transfer and Paving Agents
Hill Samuel Registraria Limited
6 Greencost Place
London EV1P 1PL
6 March, 1986

במק לאמרי bank leumi 

F.T. CROSSWORD PUZZLE No. 5,966

The Princess Alice We care to the to denominations. We donations to assist

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No!<u>es</u> 937

10 Dear pet, tumbling, is fired by spill (7) 11 Sparking apparatus, one that electrifies? (1)

(8)
15 Jabber in the clinic? (10)
16 Wednesday, his day for party reversal at home (4)
18 Common food of the caterpillar larva (4)
20 Junction-box output? (10)

22 Coy when going to bed (8)
24 Story put over with energy can stimulate (5)
26 This caused Richard the First to go off! (7)
27 One in Sur we have is not

27 One in five, we hear, is not a day-pupil (7)
28 Earthquake, splitting asunder, is most pitiful (5-7)

DOWN

2 Thick way to paint over motorway, beyond round-about (7)
3 Showy bloomer in RU game scrumnage (8)
Commander (4) scrummage (8)
4 Counter-current boy? (4)
5 Hugo use set with licence,
having pension? (5-5)

6 Lay oneself open to semi-raids? (5) 7 Sultry chief desperado (7) 8 Off-quotation? (8-5) 9 Nurses harping about means of making cutbacks on beds (7-6)

12 Sap from Zaire's interior (5)
13 Doctor swallows head of turbot and other food-fish

(10)
17 Having no sulars siven

17 Having no rulers, given carte blanche (8) 19 Lying in hut, turn over (7) 21 A sore head in university

can be hell! (7) 23 Lariat made from tiara (5) . 25 A pitcher, we hear, on the platform (4)

Solution to Puzzle No 5,965



NOTICE TO BONDHOLDER THE MITSUBISH! BANK.	_
U.S.\$100.000.000 2's PER CENT	
CONVERTIBLE BONDS DUE	
Fursiant to Classe 6, subclass of the Trust Deed dated 25th 1985, notice is hereby and follows:	<b>0</b> 13

PARD BIMES

DIVIDEND DECLARATION

NOTICE IS HERBEY GIVEN that divided No. 59 of 135 cents per staire has been declared in South African currency, as a final dividend in respect of the year ending 50 June, 1986. The names appear in the company a register of members at the close of business on in March. 1986. The register of Merch in 1 April. 1986. The register of members will be closed in the company of the c LINEY) at a 1210 of U.03 new Shares for each share held. Provided, however, any fractional new shares resulting from the allotment will be solt by the Bank and the net proteeds will be distributed on the shareholders in accordance with their fractional shares (2) The free distribution will become effective on 20th May, 1986.

(3) Adjustment of the Conversion Price.

Pursuant to Condition of the Bonds, the Conversion Price will be adjusted from the current Y1,768.00 to Y1,715.70 effective as from 1st April 1986. Tokyo time. The new Conversion Price reflects the adjustment resulting from the New Shares Issue made on 1st Newmber. 1945, which changed the Conversion Price from Y1,766.00 to Y1,767.20.

THE MITSURISHI BANK, LIMITED. THE MITSUBISHI BANK. LIMITED. By: The Mitsubishi Bank, Limited. Landon Branch as Principal Paying Agent

DISCOUNTED FARES ONE WAY RETURN 6250.00 £490.00 £195.00 £30.00 £230.00 £250.00 £465.00 £465.00 £465.00 £125.00 £235.00 £335.00 £650.00 £335.00 long hauf inquiries welco ALLIED AIR TRAVEL 29 Glaschouse Street

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### **US** halves farm export bonus fund

THE CONTROVERSIAL Ameri-THE CONTROVERSIAL American agricultural export subside programme, designed to undercut EEC farm prices in the Middle East and North African

Middle East and North Arrican markets, became a casualty of deficit reduction in Senate legislation approved on Wednesday night.

Funding for the three-year \$2bn programme, which gave exporters crop bonuses from government stocks, was cut in half so that money could be half so that money could be made available for other pro-grammes. In addition, the grammes. In addition, the Senate cut from \$325m to \$110m funds which could be used for export assistance programmes, like subsidised credits.

The legislation now goes to

the House of Representatives, where its future is uncertain. The House last week passed an emergency \$5bn appropriation to replenish the Commodity Credit Corporation, which makes loans and finances surplus food purchases.

The CCC is out of money, and a ne wsurge in demand was expected yesterday when farmers were scheduled to sign for acreage reduction and income support schemes. Under the law they are eligible for immediate subsidy payments

when they sign up.
The Senate, while agreeing to the \$5bn appropriation, added other provisions to the Bill on which the house may not agree. It exempted price supports for dairy farmers from cuts under the Gramm-Rudman deficit reduction legislation, and it provided crop subsidies for farmers, whose cash payments are reduced because of a new formula for calculating crop

The Senate also changed the A provision in the 1985 Farm Act which allowed farmers who tion to plant unsubsidised crops like vegetables and sugar beets. Growers of such crops com-plained that their markets

would be gutted.

The American Farm Bureau Federation (AFBF) has proposed a farm debt restructuring package that would include farm lenders allowing farmers to pay interest as low as 2 per cent on a portion of their debt, reports Reuter.

AFBF president Mr Dean Kleckner said the group their plan to Federal Reserve Chair-man Mr Paul Volker, Treasury Secretary Mr James Baker, and

Trank Naylor.

The plan would need a regulatory change so that the low-interest portion of the farmers' debt would not be classified against the capital of the lending institution. Under the two-tier plan, the

banker would ask normal servicing on a portion of the farmer's debt on which he deterprincipal and interest pay-

On the other portion, the banker would ask no principal payment but an interest payment of 2 to 3 per cent.

# Queensland to ban strikes in export industries

THE STATE Government of trade were affected by strikes.
Queensland, Australia, is to out.
The new laws are also clearly aimed at coal miners who staged. THE STATE Government of Queensland, Australia, is to outlaw industrial action affecting export industries following a rash of strikes in the mining, coal and sugar industries over the past 12 months.

The move, unprecedented by either the Federal Government or any of the other Australian states, follows the introduction

states, follows the introduction last year of draconian industrial legislation which makes strikes by workers in essential services

The State Minister for In-dustrial Affairs, Mr Vince Lester, told the Queensland Cane Growers Conference in Brisbane yesterday that the State Government was prepared to get tough with unions which disrupt export industries.

The cane growers, who are in dire financial straits, have complained at multi-million dollar losses last year because cut cane deteriorated as a result of strikes at sugar mills.

Earlier this week Mr Lester introduced into the Queensland Parliament new clauses to the Essential Services legislation, the Industrial (Commercial Practices) Act, including a provision for fines of up to A\$250,000 for unions which impede export trade by indus-

The provisions would give the government, employers and em-ployees the right to take out court injunctions against the unions if interstate or overseas

a one week strike in support of pay claims last month and are threatening further stoppages

Mr Lester told sugar pro-ducers yesterday that he was prepared to introduce further specific legislation for the sugar industry if necessary. The new clauses widen the

The new clauses widen the powers of the controversial legislation introduced last year to forbid strikes in essential services. At the time observers did not believe the laws would be enforceable—but the Conservative Queensland National Party Government, headed by the tough veteran politician Sir Johannes Bjelke-Petersen, met the power unions head on. Johannes Bjelke-Petersen, met the power unions head on. When the power workers went on strike the government sacked them and has refused to reinstate them in spite of enormous outcry from the union movement and a great deal of public sympathy for the unionists in other states. Many of the sacked power workers are still unemployed. still unemployed.

Whether Sir Johannes would be equally successful in an all out battle with, say, the coal miners, remains to be seen. The government does not directly employ most of the workers in export industries so it would be up to the employers to take the matter to court and many ing as contra employers would be afraid of renegotiated.

escalating disputes. escalating disputes.

The Queensland Trades and Labour Council (TLC) has attacked the move saying the laws would affect most of the state's work force. The TLC general secretary, Mr Ray Dempsey, said the proposals effectively banned all industrial action, including strikes, bank go slows working to ule or any go-slows, working to rule or any variation of a normal work pattern in all areas generating external trade.

The Queensland Government is facing an election this year and cynics see the new move as an election ploy to exploit the known hostility to unions by the Queensland public.

• The report from the Sugar Board, the statutory authority which regulates the industry. made depressing reading for the delegates to the Cane Growers Conference. The Board estimates that the total revenue from sugar for the 12 months to June 30 will be down A\$100m to A\$700m.

The board pointed out that by 1988 all of Australia's long term contracts for sugar sales would have ended and were unlikely to be renegotiated. Thus growers would become even more vulnerable to world spot prices.

In 1983 nearly 50 per cent of total sugar sales were covered by long-term contracts and that figure has been steadily declining as contracts are not being

# Time-stamping worries traders

BY ANDREW GOWERS IN BOCA RATON, FLORIDA

INTENSIVE NEGOTIATIONS are under way between the US futures exchanges and the Com-modity Futures Trading Commission over how to implement a controversial new rule tightening market reporting requirements.

The talks, which have been continuing informally this week at the Futures Industry Association's annual conference in Boca Raton, Florida, focus on a joint proposal from the two big Chicago exchanges, the Board of Trade and the Mercantile, to set up a complex computerised record of each trading session.

The CFTC, the official US watchdog over the futures markets, wants each trade recorded within a minute of recorded within a minute of execution, and has told the exchanges to implement this rule by October 1. It argues that this would lead to a dramatic improvement in record-keeping in the markets, and allow more detailed and accurate "audit trails" to be established in the recorded in sequence within a the work of frading irregularities. mines the farmer can make full event of frading irregularities. 30-minute time frame. At present, the exchanges are required to record trades only within a half-hour time frame. The exchanges, which have

practice, have complained loudly about it, claiming that it threatens to stifle market liquidity. Their fear is that the CFTC will require individual dealers to write down the time of each trade on their trading cards, thus slowing down market activity. The CFTC, which left the exchanges free to decide how to implement the

rule, denies this is its intention.

The Chicago Board of Trade and the Mercantile Exchange have now proposed setting up what they all a computerised trade reconstruction system. This, they say, would pinpoint an exact transaction time for

they plan to put the rule into doubts about the likely accu- said last Friday.

racy or completeness of the records which the system would provide, particularly on floor

The exchanges have also been mounting a vigorous lobbying effort in Congress, which is currently considering whether to renew the CFTC's mandate. They want an indication in prin-ciple that their proposed system conforms with the CFTC rules before going ahead with it; however, the Commission wants empirical proof that it would be effective before fully

The audit trail issue seems for the moment to have over-shadowed another major bone trade handled on behalf of shadowed another major bone customers by brokers, but would of contention between the exnot necessarily identify times changes and the CFTC, concern-

The postponement comes amid signs of new flexibility in CFTC officials have told the the Commission's approach. TIN xchanges that they are preexchanges that they are pre-pared to consider these pro-terested in exploring reasonable until July to announce how posals, although they still have alternatives to its proposals," it

### LONDON MARKETS

SUGAR VALUES on the London futures market eased back further from recent highs yesterday under the inhighs yesterday under the influence of a lower New York market and a bearish report published by F. O. Licht, the West German sugar statistics agency. Licht said expectations that low world sugar prices would result in a cut in European beet plantings this year are likely to be disappointed. In its "first crude approximation" of 1986-87 prospects it put total European plantings at 7.42m hecprospects it put total European plantings at 7.42m hectares, up from 7.29m in 1985-86. The EEC figure is projected at 1.87m hectares, down from 18.96m, but in the rest of Western European rest of Western European rest of Western Europe 2.56m hectares are forecast to be planted, up from 25.09m. The main rise, however, is seen in Eastern Europe, which is "largely unresponsive to changes in world prices. The total for that prices. The total for that area is put at 4.86m bectares, up from 4.78m in 1985-86.

LME prices supplied by Amalgamated Metal Trading.

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Official closing (am): Cesh 9815 (977-7.5), three months 1000.5-1 (977- 6), settlement 981.5 (977.5). Final Kerb close: 1003-4.				
Cathodas Cash a months	982 5 1005-8	+9.0 +15.5	997/897 1009/1000	
Official clo (972-5), three settlement 97 Turnover: 2 ducer prices	8 (975). 28,200 t	onnes.	2 (997-9), U\$ Pra-	

LEAD	
: Unofficial + or close;p.m.) — High/low £ per tonne	,
Cash 251,5-2 : -1.25 252,5-252 5 months; 250,26-,76: -1.25 265-261	
Official closing (am): Cash 252-5 (251-1.5), three months 260.5-1 (260-0.5), settlement 252.5 (251.5). Final Kerb close: 260-1. Turnover: 7,090 tennes. US Spot: 18,00-20.00 cents per pound.	
NICKEL	
Unofficial + or	

IICK	EL		
	Unofficial + or close p.m.)	High/ low	
sh nonths	2840-50: -5.0 2913-29 +17.5	2860,2860 2840,2880	
834-6). 1	closing (am): Cas three months 2940-5 2870 (2836). F 5-30.	(2885-7).	

# Kuala Lumpur Tin Market—Close 20.54 ringgit per kg, down 45 cents per

wer: 1.770 tonnes.

ZINC	
High grade	Unofficial + or   close(p.m.) - High:low . £ per month
Cash 5 months	455.6 —4.5 447.5-8   —4.0   455.447

Official closing (am): Cash 435-6 (433-3.5), three months 447.5-8 (446-7), settlement 436 (433.5), Final Kerb close: 444-5.
Turnover: 5.550 tonnes. US
Western: 30.50-35.75 cents per 5.550 tonnes. US Prime GOLD

Gold rose \$2 an ounce from Wednasday's close in the London bullion market yesterday to finish at \$342½-342½, and traded between a high of \$345-345½, and a low of \$341-341½. Profit taking pushed it to the day's low during the morning but renewed interest and a weaker dollar reversed the trend in the afternoon.

OLD BUTTION JUNE OF	unce: Mar. 6
ilose \$343 4 - 3433	(£8354.2361)
)pening \$342 4 - 3423	(£23614.2364)
#ni'g fix. \$345.00	(£235.901)
Aft'ni'n fix \$344.50	(£236.364)

GOLD AND PLATEN	CHI COING
Kr'g'rnd, \$548 34812 12 Krug. \$182 14.18234 14 Krug. \$9314-943 16 Krug. \$9314-943 1716 Krug. \$3814-3834 Mapieleaf \$555 35512 Angel \$354-355 1710 Angel \$55 40 New Sov. \$6314-8534 18 New Sov. \$6412-50 Old Sov. \$8712-99 \$20 Eagle \$440-480 NoblePiat \$4213-42651	[£258-239] £125-1254] £64-6419; £264-2619; £24319;2434; £2421; £24-2719; £57-5719; £54-544; £60-61; £53134;329; £2891;29212;

Silver was fired 4.45p an ounce lower for spot delivery in the London bullion market yesterday at 384.25p. US cent equivalents of the fixing levels were: spot 558.5c. down 11.3c: three-month 558.5cc, down 12.05c; airt-month 578.85c, down 12.05c; and 12-month 559.4c, down 14.1c. The metal opened at 3374-3884p (560-562c).

SILVER per troy	Buillon Fixing Price	+ or	L.M.E. p.m. Unoffic	+ or
Spot 3 months. 6 months. 12 months	584.25p 395,25p 405.90p 426,15p	-4,65 -4,65 -5,05 -6,78	382.5p 394.0p	+0.5 .+1.25
LIME—Ti	ırnover; 2	0 (32)	lots of	10.000

### Three months high 394p, low 393p, linel kerb 395-7p. SOYABEAN MEAL

prices through	the exception traded are out the day in repeats Muirp	und Ligatu	unchanged
	Yesterday	+ ôr	Business Done
	E		

170 (530) lots of 20 tonnes. tonnes. Barley: Mar 113.56

### **US MARKETS** INDICES NEW YORK FINANCIAL TIMES

March April May July Sept Dec Jan March May July

COCOA

COFFEE

CRUDE OIL (LIGHT) 42,000 US gallens, \$/6

GOLD 100 troy oz, \$/troy oz

Close 86.10 85.10 85.10 84.55 84.55 86.55 86.90 87.40

High 86.10 85.25 85.20 84.50 85.00 88.25 86.50 87.00

377.1

April
May
Juna
July
Augu
Sept
Oct
Nov
Dec
Jan
Feb

" C " 37,500 lb, cents/16

Mar. 6 Mar. 5 With ago Yearago REUTERS Mar. 6 Mar. 5 M'th ago Year ago

1823.6 1854.8 1849.2 2050.9 (Base: September 18 1931 = 100) DOW JONES

Dow Mar. Mar. Month Year Jones 5 4 ago ago Spot 128.34 128.52 Fut. 132.68 132.93 - 117.02 - 120.55 (Base: December 31 1931 = 100)

Not available due to suspension
of tin LME

### MAIN PRICE CHANGES

in tonnes	unless other	wise st	ated.
METALS	Mar. 6 1986	+ or 1	Month ago
Aluminium	S 1255-275		1180/200
Copper	B 1635/213	T-0 4	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Cash h Grad	2988.75	+11.25£	1002,75
3 mths	'£1007 5	+10.25.£	1062.75
Gold Troy or	8343.5	+ 2.0 5	338.25
Lead Cash .	£251.75	1.25.S	258.25
3 mths	£250.5 .	—1,25 £	269.5
Nickel	189 209c	'. <b>.</b> '.	20 100-
Free Mkt	189 209C	** !	V-2 UU
	3108.65 		
Pletinum oz	8230:240	+0,23,3	202, 12 206,450
Cibros services	z 384,25p		24014411 94n
2 —	120E 2E-1		3 K 3 L 3 L
Tin cash			:
3 months.	\$62.78 016\$556.63		Ì
Tungaten	\$52,78		<del>6</del> 5.62
Wolfram 22,	Nb., 556:63		56 65
produce	5 _ \$650 670	3	QQU. / CD

OILS

Chiers
Cocos Ft. May | 21495.5 + 16.5.12695.5 |
Coffee Ft. May | 22515 + 45.5.12435 |
Cotton A Index | 53.40c | -0.4534.85c |
Cas Oil Apr. | 8152.5 |
Rubberflule | 53.7.75 | 5152.5 |
Rubberflule | 50.50p | -0.50.61p |
Sugar raw | 418p kik | 225pkie |
1 Unquoted | Per 75-1b flask | Cents |
2 pound | v May | y April-May | 2 March |
April | x April |

### MEAT

PIGMEAT	·	<u> </u>	BEEF	
Month	Y'day .	+ or	close i	+ or
Р	per kife	deadw	eight	
May June July	104,30 105,00 103,00 102,50 102,20	+0.86	- i	  +0'50
Carcases.	t sales: 3,250 kg ales: 5 (2		_	sidos.

MEAT COMMISSION—Average fat-stock prices at representative markets. GB—Cattle 98.00p per kg lw (-0.43). GB—Sheep 220.02p per kg eat dcw (+10.79). GB—Pigs 80.28p per kg lw (+2.72).

Futures moved within a £35 range today finally closing on a steady note near the highs elthough actually lan registering new life on contract lowers at the bottom of the range. Physical interest was limited to light accomband July interest was limited to light secondhand trading with both producers and con sumers epparendy withdrawn, reports platinum 50 troy oz, \$/troy oz

Gill and D	ulius,		i
GOCOA	Yesterday's Close	F OF	Business Done
	L' per tonne	i	50110
March	1505-1506	12,0	1509-1480
May	1496-1497	11.0	1497-1471
Sept	1563-1564 1584-1585	21.5	1585-1581
Dec	! 1584-1585 :- ! 1609-1610	+ 25.U!	1585-1560 1600.1560
May	1624-1635	7.0	1620-1616

# Sales: 5271 (6580) lots of 10 tennes,

Wednesday's closing raily on the New York exchange prompted early steadiness in robusta futures, reports Drexel Burnham Lumbert. However, with traders reluctant to commit themselves to new positions it was not unit he alarmoon that prices moved to their highs, once again prompted by "C" contract. Profit taking trimmed gains at the end of a directionless day with no new fundamental news.

COFFEE Yesterdy's + or Bus Close , — D 

Sales: 5925 (7005) lots of 5 tonnes. ICO indicator prices (US cents per pound) for Comp. delly 1379 207.79 (209.90); 15-day average 201.30 (200.58).

### FREIGHT FUTURES

	DIY C		
April July Oct. Jan. April July Oct. Jan. BFI	. 840/841 748:751 855/860 860/865 935/945 810/925 860/930 739	950 848.5 754,749 860,855 	750:762 858:862 860:870 940:942 790:815
Turne	over: 109 (1	126).	
Turne		126). High/Low	Prov.
Turns	Close		Prov.

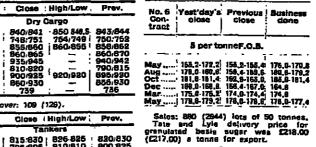
### **GRAINS**

In dull trading conditions old crop wheat saw a 100 lot shipper to shipper exchange on May/July switching with further long legiciation on old crop barley. New crops recovered from early trade selling interest, closing steady on morchant support, reports T. G. Roddick.

Yesterd'ys + or Yesterdys + or 

HGCA—Locational ex-form spot prices. Feed Barley: W Mids 110.50, N West 111.00. The UK monetery coefficient for the week beginning Monday March 10, will change to 1.123. SUGAR

# LONDON DAILY PRICE—Raw sugar S164.50 (£113.50), same (up \$1.00) s tonne for Merch/April delivery. White augar \$188.00, down \$1.00.



International Sugar Agreement— (US cents per pound tob and stowed Ceribbean perts.) Prices for March 5; Daily price 6.39 (6.49); 15-day average 5.78 (5.72). PARIS—(FFr per tonne): Mey 1324/ 1325, Aug 1359/1364, Oct 1395/1404, Dec 1420/1434, Mar 1477/1494, Mey 1524/1544.

### **POTATOES**

Market dropped in thin volume on opening call before renewed buying interest rapidly lifted April values. Salling prossure here was less than might have been expected and merket larrly easily broke into this higher ground and remained above ELOO.00 for the rest of the session, closing on strong note, roports Coley and Harper. £ per tonne

Apr..... 101.40 98.70 102.50 May ...... 110.20 105.60 111.00 Nov...... 19.00 79.40 Feb..... 86.00 86.50 Apr..... 100.50 100.20 100.00 Sales: 1,678 (1.331) tots of 40 tonnes. Earlies—July 82.50, +1.5, 92.00; Aug 76.00, unchanged, Sept 70.00, un-

Low 248.00 245.00 250.50 248.73 254.00 257.00 257.00 257.00 258.93 258.93 259.00 — 259.00 — 269.75 LIVE HOGS 30,000 lbs, ce High 39.12 43.95 44.40 42.90 39.70 41.06 40.92 37.95 40.30 High 56.30 58.00 58.70 57.40 90.90 60.30 High 537.0 638.4 542.4 539.4 522.0 617.4 536.4 544.0 Prev 342.8 344.5 348.2 352.1 356.9 364.1 387.9 371.9 376.5 385.1 377.1 High 162.8 163.2 163.6 162.8 158.0 153.5 154.2 155.0 158.5 Prev 44.01 37.06 37.22 37.90 38.65 39.45 40.30 41.06 41.80 SOYABEAN OIL 60,000 lbs, 94.40 84.40 84.40 83.10 84.10 85.10 85.70 84.50 84.30 84.40 83.50 84.50 86.50 87.00 Close High 344.4 346.4 297.4 299.4 252.2 258.4 254.4 258.0 257.2 257.5 272.0 272.4 High Low SPOT PRICES SPOT PRICES—Chicago loose lard 13.00 (11.00) cents per pound. Handy and Harman silver builton 559.00 (566.00) cents per troy ounce.

118.50-6.30, Sept 97.75 only, Nov changed. Sales: 40 (9) lots of 10 101.35-1.25. Sales: 83 lots of 100 tonnes.

#32 0F032

man

LONDON GRAINS—Wheat: US dark north an spring no 1 15 per cent April/May 122.50 transhipment East coest. US no 2 soft red winter Jung 35.50 sellers EC first half Mar 143. English feed fob Mar 118.00-118.25, Oct 103.50 paid East coest, Mar 117.75/118.25 buyer/sellers, April 119.50 buyer, April/June 121.50 values, Sept 108.50-102.00, Oct 103.50-104.00. Oct/Dec 105.50-104.00. Oct/Dec 105.50-105.50, Jan/Mar 111.50-112.00 buyer/selets, April 116.50 buyer East coast. Maize: US no 3 yellow/Franch transhipmant East coast first half Mar 143.50 soller. Barley: English feed fob Mar 118.00, April 118.75, April/June 121.00 seller July/Aug 98.00, Aug 98.50, Sept 100.50, Oct/Dec 104.50, Jan/Mar 109.50 buyer. Rest unquoted.

### Several cargoes of dated March North See crudes were placed midweek. Fifteen-day Brent traded thinly with attention centred on May. Nymex April WTI opened 36 cents up and gained a further 60 cents by 1.30 EST. pasoline were stable on little prompt demand but prices were encouraged by firmer futures. Gasoil also firmed on futures. Heavy fuel prices rose quickly on demand into the UK and Benefus—

SPOT PRICES Latest + or -CRUDE OIL-FOB (5 per barrel)-March Arab Heavy ...... Dubai 11,30 11,80\* + 0.30

Brent Blend 14,56 15,80 - 0,65

W.T.L (Ipm est) 12,75 12,85\* + 0.50

Forcados (Nigeria)

Urais (cif NME) - -

\* April Petroleum Argus estimates

GAS OIL FUTURES 8 US Per tonne 175.00 145.00 155.25 181.80 131.00 133.50

Turnover: 4,102 (5,454) lots of 100

CRUDE OIL FUTURES-Brent Bland Index. S s barrel. (Close, change business done): Index 12:34-0.04. April 12:70-13:80, May 12:00-12:90, June 12:00-12:20, June 12:00-12:20, June 12:00-12:00 f 1:000

PHYSICALS — The London market opened around unchanged, no interest throughout the day and closed neglected, reports Lawis and Pest. Closing prices (buyers): Spot 50,50s (61,00s): Aani 61,00s (67,50s): May 61,50s (62,00s). The Kuala Lumgur April feb prices (Malaysia/Singapore cents) per kg: RSS No 1 was 2020 (2020) and fer SMR 20 201.5 (201.0).

# EEC faces grain market upheaval

present third country need. suppliers, especially the US which now faces the loss of its

last big European maize market. The evidence for this is already abundant. Ten years ago, the EEC bought up to 20th tonnes of US and Argentine maize, But by 1984-85 this was down to 3.8m tonnes. Imports for feed use have been whed out and remaining industrial outlets are fading as a variety of measures are used to encourage replacement with surplus EEC wheat Spain's huge increase in bar-

ley production has enabled her to embark on a similar process of substitution well before accession. Maize imports fell from

on deaf ears, however, and an ensuing US claim for compensation now seems certain. Mean-while, Spanish importers have while, Spanish importers have been doubling up on maize ship-ments over the past few months in a last fling to beat the levy. Spain's own maize grop rose Spain's own maize crop rose last year by 700,000 to 3.2m tonnes but with higher consumption a deficit persists of at least 2m tonnes. The maize area must rise further but only gradually as a 6 per cent discount on Spanish against EEC farm prices is levelled over the seven

years of transition.
Since France, the Community's largest maize supplier. is unable to expand output in the short term. Spain is widely forecast to turn to EEC feed-

ADOPPION OF the EEC cereal Spain's traditional maize-based undercut EEC barley and Third maize, imports of which have regime by Spain and Portugal poultry feed industry, based as country maize in past months almost halved in the last four from March 1 promises the it is around the Barcelona area have proved a strain on the years. The trend will be sped European grain market its big- will be able to suck in much gest upheaval since Britain larger quantities of high quality joined the Community, more southern French maize, leaving than a decade ago. Accession Northern European industrial will also hit the Iberian coun- users short of the grades they

> Spain has also shown itself adept at pre-empting other CAP formalities. At the Commis-sion's behest, over 1.5m tonnes of its surplus barley stocks have been cleared into export markets where Spain has quickly learned to play the subsidy game harder than the Com-munity's more practised "old boys." UK and French ex-porters watching with dismay as "safe" markets have been swallowed up by the brash new

seller have wondered whether accession will present them with a customer or a competitor, sion. Maize imports fell from 5.2m tonnes in 1981-82 to 3.4m in 1984-85 and could be down to just 2.5m tonnes in 1985-86. Drought in 1983, for example, Imports of sorghum—a maize substitute—have declined from 1.5m to 300,000 tonnes.

The trend can only accelerate from this month as punitive EEC import levies cause the landed price to rocket. (Tariffs protect Community maize at almost double the US price on which Spain has hitherto paid only 20 per cent duty) Lastminute US pleas for the postponement of the EEC levy fell on deaf ears, however, and an In fact, Spain's capricious

modest lift to barley support prices (recently almost 10 per cent below levels). With improving husbandry under influence many observers expect this factor to consolidate Spain's future export role.

However, the extent of that presence will also be determined by the post-accession pace with which Spain increases domestic off-take of barley (or imports of British and continental feedwheat) to supple-ment its reduced maize imports from the US. Consumption of barley, rose to 8.9m tonnes in 1984-85 from 8.5m in 1983-84, and is forecast at 9.4m tonnes

in 1985-86. Barley exports have also had wheat (particularly during both fiscal and market manage tors, however.

drought years). However, some ment drawbacks. Subsidies of Portugal too is likely to subseries appeared on February 26 Likely to subseries are worried up to \$65 per tonne needed to stitute more feedwheat for anu March 5.

Spanish treasury. Multi-pational shippers meanwhile, complain of the grindingly slow system of paperwork required to approve the financing of "optional European origin" export falls filled by Spanish barley.

Food users in the Spanish

interior have also complained of taking second place to export customers in the post harvest rush to fill vessels last year. Forecasts that the 1986 crop

THE CAP **ENLARGED** 



may be reduced by drought at planting time must be giving the Government further cause to consider short term export restraint in preference to re-

Spain should, in theory, find it difficult to undercut her fellow EEC exporters. During price alignment, accessionary compensatory amounts (ACAs) will bridge the gap between Spanish and other EEC mem-Spanish and other EEC members' intervention prices, acting as subsidies on EEC exports to Spain and levies on exports from Spain to EEC. When Spain competes directly with other EEC countries for third country markets at lower prices. country markets at lower prices, her export subsidies are reduced by the amount of the ACA, bringing them closer into line with the EEC offers, Spain's southern ports do have a Mid-East freight advantage of several dollars a tonne over her northern Community competi-

by the location of her feed in-dustries around Lisbon offering a prime target for cheap French wheat shipped out of Bordeaux. Portuguese usage of Com-munity wheat will also be further encouraged by a ruling that a minimum 15 per cent of her annual imports must come

from the EEC. Bids from the Community to supply the remaining 85 per cent will also be subject to a corrective. making them equal to third country offers, then given a further 5 Ecu preference to ensure they compete successfully. US exporters fear this may further erode a 500,000 tonne market in US exports of hard red winter wheat. Substi-tution may be slowed by US quality advantages. However, it is possible that other EEC suppliers will ultimately collect a combined Iberian need for up to 4m tonnes of wheat currently filled by third country coarse

Portugal's ten-year and Spain's seven-year transition periods SILVER will ensure some of the trade implications of accession will not be felt immediately. Never-theless there is evidence that sectors of the Spanish farm trade are unprepared for the immediate shocks of

more immediate shocks of higher feed prices. This situation was recognised by the Spanish authorities late Lest year with the imposition of a temporary ban on the issue of coarse grain import licences. coarse grain import incences.

As an unofficial "dress rehearsal for accession," this move sent a ripple of alarm through the US export trade which, having braced itself for the loss of its Iberian markets in five to ten years suddenly realised that timescale was underly continistic.

duly optimistic. The import stunt also created alarm in the Spanish feed trade as internal prices threatened to soar. Clearly, Spanish con-sumers have yet to appreciate the lesson of the EEC's "corn/ horn" inequities. But then Britain can hardly claim to have come to terms with their per-verse logic—even a decade after Previous orlicles in this Feb.

This announcement appears as a matter of record only.

LIMITED

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JACKSONS LIMITED

Main Board Listing on the Australian

Associated Stock Exchanges

on 6th March, 1986.

\* \* \* **\*** 

Rouse Woodstock

CAPITAL MARKETS DIVISION

Invites you to a Conference on

The Ellioti Wave Theory presented by Robert R. Prechier

9.00 cm - 12.30 pm, Wednesday 9th April,

The Cotilion Rooms, Walbrook, London EC4

The Capital Markets Division of Rouse Woodstock

Cost £150 + VAT. For further details and to reserve

has invited Robert Prechler, the world's leading specialist in The Elliott Wave Theory to talk to a selected audience about the Theory and its Practice, and to forecast torthcoming trends in the

86 is 263.15 to Y178.95. February average 184.545. Exchange rate index 191.7 against 156.7 six

months ago.

# Uncertainty depresses dollar

The dollar finished towards the lower end of the day's range in rather nervous trading. A half-point cut in the West German discount rate had been expected and this was reflected in Wednesday's strong improvement by the dollar against the D.mark. However, the implications of E thair reaction from West Germany through Japan to a cut in the US discount rate had a more sobering effect and speculators took the opportunity to take profits.

2 IN NEW YORK

Closs Mar. 5 Prev. close Spot \$1,4600-14815 \$1,4500-1.4815 \$1

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still had room for a further decline.

Against this background of uncertainty the dollar slipped to finish at DM 2.2425 down from a high of DM 2.2715 and Wednesday's close of DM 2.2660.

Against the yen it fell to V179.30 from Y181.55. Elsewhere it closed at SFr 1.6990 from SFr 1.9115 and FFr 6.90 compared with FFr 6.9550. On Bank of England figures, the dollar's exchange rate index was 118.0 from 117.5.

STERLING — Trading range

POUND SPOT-FORWARD AGAINST POUND

DOLLAR SPOT-FORWARD AGAINST DOLLAR

| Merch 6 | Spread | Close | One month | p.a. months | p.a

Mar. 6 & DM YEN FFE. SPr. HPL Ling OS | BFr.

1, 1.458 5.270 261.5 10.06 2.768 3.695 2224 2.063 57.00 0.686 1, 3.343 179.3 6,000 1.899 2.534 1585 1.416 45.96

0.506 0.446 1. 76.97 3.076 0.846 1.130 680.0 0.831 20.49 3.824 5.676 12.50 1000, 38.47 10.68 14.13 8503, 7.889 256.2

0.994 1.449 3.250 259.9 10. 2.751 3.673 2210, 2.051 66.60 0.561 0.527 1.182 94.49 3.635 1. 1.336 803.4 0.745 24.21

Long-term Eurodollars: two years T's-8's per cent; three years 8'-8's per cent; four years 8's-8's per cent; five years 8's-8's per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

HFL 0.271 0.395 0.885 70.77 2.723 0.749 1 601.8 0.588 18.13 Lira 0.450 0.666 1.471 117.6 4.524 1.845 1.662 1000. 0.928 30.15

C\$ 0.485 0.707 1.585 186.8 4.876 1.541 1.791 1078 1, 22.48 BFr. 1.483 2.176 4.881 590.3 18.01 4.131 5.615 5519 3.079 100,

1,000: French Fr per 10: Lira per 1,000: Beig Fr per 100,

**EURO-CURRENCY INTEREST RATES** 

| 1.4980-1.4985 | 1.4985-1.4985 | 0.60.0.57c pm | 0.89.0.1986-2.0845 | 2.0815-2.0846 | 0.80-0.15c dis | 0.80

speculators took the opportunity to take profits.

While acknowledging the benefits of lower interest rates, the market showed some concern as to the immediate effect a cut in the US rate would have on the dollar. Some argued that it had established a base at DM 2.20, already tested and held, while others insisted that the dollar still had room for a further dollar but losing ground to most fur opening of the day, improving slightly against the dollar but losing ground to most fur opening of the day, improving slightly against the dollar but losing ground to most fur opening of the day improving slightly against the dollar but losing ground to most fur opening of the day improving slightly against the dollar but losing ground to most fur opening of the day improving slightly against the dollar but losing ground to most fur opening but up from Wednesday's close of 73.7. The six months ago figure was \$1.0.

P.B. months p.a.

4.81 7.60-1.56 pm 4.33
8.91 3.10-2.70 pm 8.61
-5.39 1.44-1.49dls -4.14
2.24 1.37-1.34 pm 2.18
-4.57 39-35 dls -2.53
-0.18 ½ pm-1 dls -0.05
3.34 1.88-1.63 pm 2.31
-30.41 600-1200ds -24.32
-5.09 175.225 dls -5.65
-12.29 40.41 dls -5.05
-12.29 40.41 dls -5.05
-5.12 9½-91 dls -5.43
-8.06 12.13 dls -7.25
-3.54 57-54 dls -7.25
-3.54 57-54 dls -3.36
1.84 0.99-0.95 pm 2.17
1.53 6-3 pm 1.15
4.14 1.95-1.90 pm 4.06
orward premiums and

FINANCIAL **FUTURES** 

# **US** bond record

The yen traded within a fairly narrow range in Tokyo yesterday as the market waited to see if West German and Japanese interest rates were to be reduced. Trading was at a record level in US Treasury bonds on the Loodon International Financial The dollar finished below its

New York closing level but was
up from a low of Y180,30 and
Wednesday's close in Tokyo of
Y179,30 at Y180,95. It had night weakness in Chicago, where bonds finished limit down.

Bushed in New York at Y181,20. Dealers suggested that traders in the Far East were less pessimistic than their US counterparts, by news the German Bundesbank would not hold a D-MARK — Trading range against the dollar in 1985-86 is 3.4510 to 2.1999. February aver-age 2.3310. Exchange rate index Bundesbank would not hold a press conference after yesterday's council meeting. Strong buying in the Far East led to the firmer opening in London, and when the Bundesbank aunounced a cut of 1 per cent to 31 per cent in its discount rate June Treasury bonds rose sharply to a peak of 9531, leading to suggestions that after closing limit down, Chicago would open limit up.

After a period of some confusion, Chicago decided the price 135.0 against 124.7 six months ago.
The D-mark showed little overall change after yesterday's half point cut in the West German discount rate to 31 per cent.

After a period of some confusion, Chicago decided the price in London was far too high, and sold heavily, apparently believing the German discount rate cut, and the strong probability of similar moves by the Bank of Japan and US Federal Reserve, were well discounted by the market. The June contract fell sharply to a low of 93-10. before rallying to close at 94-00, June Eurodollars also opened firm at 92.58, and although finishing below the day's high of 92.70. remained higher on the day at 92.62, against 92.55 on Monday, Falling oil prices have underpinned speculation that further cuts in world interest rates are likely, and this added support to the contract. Dealers commented that the main fear

**CURRENCY MOVEMENTS** 75.8 +19.0 118.0 +9.0 77.5 -23.5 126.2 +7.4 94.6 -7.9 85.8 -1.0 135.0 +14.3 155.1 +14.0 124.0 +8.9 71.8 -10.0 46.5 -17.5 191.7 +41.4 commented that the main fea-for the market is that the mee ing of Opec ministers on March 16 will be the first step in re-establishing the strength of the eartel, producing a cut in oil production and a squeeze on Morgen Gueranty changes: everage 1980-1982-100, Bank of England Index (base everage 1975-100).

bonds, and were also depressed by the Prime Minister's comment that the time was not appropriate for sterling to join the EMS.

POUND-S (FOREIGN EXCHANGE) IMM-STERLING Se per £ LIFFE-STERLING 225,000 \$a per £

Close High Low Pres March 1.4535 1.4500 1.4457 1.4555 June 1.4385 1.4385 1.4372 1.4407 Sept 1.4285 1.4285 1.4285 1.4285 Estimated volume 128 (51) Previous day's open int. 2.946 (2.925) CS SDR rate for Merch 5: 1.63088 LIFFE-DEUTSCHE MARKS DM 125,000 \$ per DM Close High Low Prev March 0.4450 0.4478 0.4443 0.4573 June 0.4467 0.4510 0.4486 0.4507 Estituaçãos yaluma 167 /481 

STERLING INDEX 8.30 am 9.00 am 10.00 am

73.6 73.7 73.8 73.8

UK clearing banks base lending rate 124 per cent

since January 9

1.00 pm ..... 2.00 pm ..... 3.00 pm ..... • Salling rate.

**CURRENCY RATES** 

OTHER CURRENCIES

	201111		1400-1442		J			•				
Sterling U.S. Dollar	759.73	718·718	121g-125g 75g-754	712-758	114-124 78-74	719-758	EMS EURO	PEAN (	CURREN	CY UNI	T RATE	5
Can Dollar D Guilder Sw. Franc Deutschmrk Fr. Franc	566 274 213-875 413-458 814-814	5 t 5 t 2 2 t 4 1 4 4 5 6 10 t 2 - 1 1 t 2	125g-127g 5-12-5-13 5-12-5-14 4-3g-4-12 15-16-16-14	11 to 11 to 12 to 15 to	10; 10; 536.63; 546.33; 414.43; 1212.123;	1018-1036 649-549 359-354 478-478 11-114		Ecu central rates	Currency emounts egainst Ecu March 6	% change from central rate	% change adjusted for divergence	Divergence
B.Fr.(Fin) B.Fr (Gon) Yeh D. Krons Asian \$ (Bng):	1014-1018 1014-11 616-618 714-814	171s-191 <sub>2</sub> 974 101s 11-12 578-6 778-858 734-778	1812-1912 956-975 12-1254 578-6 8-812 734-778	17 <sup>1</sup> 2-18 <sup>1</sup> 4 958-978 10 <sup>1</sup> 2-11 538-5 <sup>1</sup> 2 7 <sup>1</sup> 4-8 <sup>1</sup> 4 7 <sup>1</sup> 2-7 <sup>1</sup> 4	16½ 17 9¼ 9¾ 9¼ 9¾ 5¼ 5¾ 7¾ 8¼ 758 7¾	1518-1514 858-878 858-878 514-558 718-8 716-7:8	Belgian Franc Daniah Krone Germen D-mark French Franc Dutch Guilder Irish Punt Italian Lira	44.8320 8.12857 2.23840 6.86402 2.52208 0.724578 1520.60	44.1522 7.95740 2.16577 8.63269 2.43464 0.713423 1466.22	-1.52 -2.11 -3.69 -3.87 -3.87 -1.54 -3.58	+1.14 +0.55 -1.03 -0.71 -0.81 +1.12 -1.97	±1.5425 ±1.6421 ±1.1485 ±1.3664 ±1.5162 ±1.6673 ±4.0866
Long-terr cost; lour ye	ers 878%	per cent; fir		-8½ par cen	z nominaj.	Short-term	Changes	are for E	cu. therefore justment calc	positive chi	inge denotes	•

### MONEY MARKETS

**EXCHANGE CROSS RATES** 

# German discount rate cut to 3.5%

The West German Bundesbank cut its discount rate to 3.5 per cent from 4 per cent and left the Lombard rate at 5.5 per cent the Lombard rate at 5.5 per cent The Bank of England initially drained £823m, with the unwindat yesterday's council meeting. The rate on three-day Treasury bills was reduced to a record low of 4 per cent from 4.3 per cent. In order to prevent an expansion in bank liquidity when expansion in bank liquidity when minimum reserve requirements are reduced by about DM 8bn on May 1, rediscount quotas at the Bundesbank will be cut by DM 5bn on the same date.

The Bank of Japan policy board is expected to meet today with a view to reducing the Japanese discount rate to 4 per cent from 45 per cent. Parliacent from 4.5 per cent. Parliament in Tokyo is expected to pass the Government's Budget for the new financial year, on

Saturday, paving the way for 1 rate cut effective next week. In related moves the Dutch central bank reduced its bank rate to 4.5 per cent from 5 per cent, and the secured loans rate to 5 per cent from 5.5 per cent. The promissory note rate was cut to 5.5 per cent from 6 per cent. In Paris the Bank of France cut its money market intervention rate to 8; per cent. Six month 6.88 intervention rate to 8; per cent one year 7.13 from 8; per cent.

of 4 per cent, and Lombard rate
of 5.5 per cent were left unchanged by the central banks in
10 year 30 year ...,..

One year ...... There was no reaction in Two year 7.38
Switzerland and Austria to the Three year 7.39
German move. The discount rate Four year 7.53

8.00

MONEY RAT	es					
Mar. 6	Ov'r-nig't'	One Month	Two Months	Three Months	Six Months	Lomban In'v'ntion
rankfurt	4.65-4.70	4 % Bill		4,5 4,5 85g-84	=	5,5 81 <sub>4</sub>
ürleh miterdam,	7g-11g	512-3-4 512 518 ;		51g-534 51g-586 5.90525	51e 51e	: =
okyo	1764-18 10.25	1712-1778 944-934	<u> </u>	1659 17 9 A GH	=	1 =
TIPLE IN THE PROPERTY OF THE PARTY OF THE PA	14 ta-14 a	16-1641	1634-16	1559-1556	.1254-1514	:! <del></del>

The Bank of England initially forecast a money market shortage of £950m, but changed this to £1,100m at noon, and to £1,150m in the afternoon. Total help of £1,054m was provided. The amount of bills bought outright was £452m, all in bands 1 and 2 at unchanged rate of 12½ per cent and 12½ per cent respectively. Another £337m bills were purchased for resule to the market on March 25, at 12½ per cent. Late assistance of ground £265m was also provided. These outweighed note circulation £30m; and bank Exchequer transactions balances below target another £245m to liquidity. FT LONDON INTERBANK FIXING Offer 7 11/16 five reference benks at 11 am each working day, The banks are National Watsminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Mongaa Guaranty Trust. The fixing rates are the arithmetic means, rounded to the nearest one alcosenth, of the bid and offered rates for \$10m quoted by the market to LONDON MONEY RATES

Mar. 6	Over night	7 days notice	Month	Three Months	Six Months	Year Year
Interbank	12-84 1278 124-13 13-1314	121g-125g 121g 123g-13 123g-13	12 12 -	114-12 124 124 114 124 124 114 115	11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11-111 111 <sub>2</sub> 117 <sub>8</sub> 117 <sub>6</sub>

Tressury Bills (sell): one-month 12% per cent; three-months 11% per cent. Bank Bills (sell): one-month 12% per cent, three-months 11% per cent. Trassury Bills: Average tander rate at discount 11,9487 per cent. ECGD Fixed Finance Scheme IV reference date February 5 to March 4 (inclusive): 12,554 per cent. Local authority and Finance Houses seven days' notice others seven days' hade. Finance Houses Bess Rates 13 per cent from March 1 1986. Bank Deposits (Series 6). Deposits 2100,000 and over seld under one stouth 12% per cent; one-three months 12 per cent; three-six months 11% per cent; nine-12 months 11% per cent; nine

LONDON 20-YEAR 12% NOTIONAL GILT 250,000 32nds of 100% Close High Low 94-14 96-12 94-05 94-00 95-31 93-10 93-13 93-13 93-13 ated volume 13,968 (9,736) March 94-28 50-13 94-25
Jume 94-03 95-28 94-05
Sept 93-22 95-10 93-1
Dec 93-05 94-19 93-0
Jume 92-09 93-21 92-0
Sept Dec 91-08 92-22 91-0
March June
US TREASURY BILLS (IMM)
Sim points of 100%
Latest High Lox Close High Low Prev March 98-23 98-23 98-10 June 98 48 99-00 98-48 98-35 Estimated volume 507 (361) Previous day's open int. 864 (348) 91-08 92-22 91-08 90-22 THREE-MONTH STERLING £500,000 points of 100% Latest High 93.35 93.36 93.72 93.66 93.72 93.50 93.57 93.31 93.36 93.15 93.18 92.99 93.02 92.86 92.87 March 158.20 157.68 156.20 156.50 June 158.15 159.60 158.15 159.60 158.15 159.40 Sept 160.15 160.15 160.00 Estimated volume 552 (689) Previous day's open Int. 1,518 (1,517) CERT. DEPOSIT (IMM) \$1m points of 100% THREE-MONTH EURODOLLAR Sim points of 100% High Low Prev 92.49 92.43 92.55 92.70 92.58 92.55 92.57 92.56 92.53 92.53 92.37 92.38 THREE-MONTH EURODOLLAR (IMM) Sim points of 100%

ί,	March 9	2.17 9	2.32	92.17	92.1	8 Sept	92.5	7 90	-66	92.55	92.41	1
ì			2.01	91.96	91.9		92.3		.49	92.36	92.24	1
Ē			.92	91,77	91.7				.30	92.16	92.03	
	Dec 9	1.60 9	1.60	91.60	91.6		91.9		.10	91.98	91.82	
<u>.</u>	Estimated Previous d	voiume a	.156 (6	.171)		Sept	91.7		.90	91.78	91.63	
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e	LIFFEEUI	RODOLLA	R OPT	ONE			-			~		ı
	\$1m points											ı
d	Strike		-	lle-L				- 5-	ما—ع			ı
þ.	price	March	Jun		sec Sept	Vol	March	Jun		ise Sept	Vol	ı
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-	91.00	1.45	1.8		1.59	_	0.00	0.00		0.03	20	ı
e	91.50 92.60	0,95 0.45	1.1		1.14	10	0.00	0.0		0.08	20	Į
t	92.50	0.45 0.07	0.7 0.3		0.74 0.42		0.00	0.00 0.2		3.18	=	1
ŧ	93.00	0.00	0.1		0.42 0.19	14 53	0.12 0.55	0.5		0.36 3.63	75 25	1
ð	Previous d		int: C	alla 4	v. 13 .288 Pu	te 3.616	U.44	0.3	•	p.03	_	1
8	LIFTE E/S											1
r	£25,000 (a											1
<u> </u>		<u>.</u> Po		-								1
h	Strike price	March				P	94b		ts—L		0	i
-	1.20	25.53	April		25.53	Sept	March 0.00	April		June 0.05	Sept	ı
•	1,25	20.53	20.53	=		20.63	0.00	0.00	=	0.20	0.81	1
ī	1.30				15.53	15.53	0.00	0.03	0.28	0.59	1.64	ı
•	1.35				10.53		0.00	0.23	0.87	1.45	2.99	1
•	1,49		5.87	6.48	6.64	7.59	0.14	0.99	216	2.99	4.94	ı
s	1.45	1.72	2.76	3.69	4.19	5.18	1.37	2.88	4.37	5.34	7.53	ı
	1.50 Estimated	0.23	1.01	1.86 	2.36	_3.37	4.88	6.13	7.54	8.51	<b>10.72</b>	ł
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	1.30	15.90	_		16.00		0.05	_	_	0.65	1.70	ı
ī	1.35		10,90		10.80		0.10		0.90	1.75	2.90	ı
8	1.40	5.90	<b>6.20</b>	7,10	7.25	8.10	0.20	1.10	2.00	3.00	4.80	1
-	1.45	2.00	3.10	3.80		5.40	1.40	3.00	4.20	5.20	7.40	ı
	1.50	0.40	1,25	2.00	2.40	3.50	4.90	6.10	7.70	8.50	10.40	1
	Previous d		IRE C	ans 5,	469 PU	<b>™</b> 0,633						ı
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1	1.40	5.45	5.70	_	_		0.20	0.95		2.80	4.80	П
I	1.46	1.55	2.75	3,60	4.20	-	1.15	2.66	-	5.10	_	1
٠ ا	1.50	0.15	0.95	1.85	_	3.35	-		_		-	ł

AIRSHIP INDUSTRIES of 22,402,000 ordinary shares at 35p each, in Europe and Australia completed in October 1985

A MEMBER CORPORATION OF THE SYDNEY STOCK EXCHANGE LIMITED Diana House, 33 Chiswell Street, London ECTY 4SE. Tel: 01-628 7553 Telex: 883605 Fax: 01-638 6670 10 Spring Street, Sydney, New South Wales 2000. Tel: (02)232 4244 Telex: AA20796 Fax: (02) 232 5084 Comssm. 16 Rue Drouot, 75009 Paris, France. Tel: (1) 246 8895 Telex: 643674 PROIM Fax: (1) 523 5413

your place please telephone Rouse Woodstock on (01) 481 2121 x 2354. THE COMPANIES ACT 1985 ALBANY WINES (SOUTHERN) LIMITED Art Galleries NOTICE IS HEREBY GIVEN, pursuant to section 588 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at I Wardrobe Place. Carter Lane, London ECAV 5AJ, on Thursday, the 30th day of March 1986, at 2.30 o'clock in the afternoon, for the purposes mentioned in sections 589 and 590 of the said Act. INCS. DRAWINGS AND PRINTS. Until
11 April. Mon.-Fri. 9.30-5.30; Thurs.
until 6.30. BARBY. 01-734 7984.
THOMAS NEWBOLT Beintings.
St. Wi.
04-899 CAZALET. BEINTINGS.
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SEPERT BRIES.
Recent
Matery M. GREGORY. "Timpous's China."
Superb detailed and decoration views.
Superb detailed and decoration views.
Superb detailed and decoration views.
1916 century Canton artist. Exhibition
1916 century Canton artist.
St. Jesses, 10 am to 7 pm (Seturdays). Cabedays). 10 am to 7 pm (Seturdays). Cabe1950 Casaliable 27. 34. Bary Street.
St. Jesses's, London, SW1. 01-839 3731. nemoned in sections oos and sections of the seld Act.

Dated this 21st day of February 1988.

By Order of the Board,

A. Knight,

Secretary. S WORLD VALUE OF THE DOLLAR BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

US Bond and Stock markets.

areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

The table below gives the rates of exchange for the US dollar against various currencies as of Wednesday, March 5, 1986. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one US dollar except in certain specified Bank of America, Economics Dept., E.M.E.A. London Eurodollar Libor as of March 5 at 11.00 a.m. 3 months: 711 6 months: 711

FCU=\$U\$.972161 SDR1=SUS1.14958 Sibor as of March 5 at 11.00 a.m.

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VALUE OF DOLLAR CURRENCY COUNTRY CURRENCY CURRENCY E. Caribbean & | Guarani (o.c.) | Guarani (d) Paraguay . ..... Dinar
Fr. Franc
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n.s. Not sysilable. (m) Merket rate. \*U.S. dollers per National Currency unit. (a) Freemerket central bank. (b) Official rate. (b) Freemerket. (c) Commercial rate. (d) Freemerket. (e) Controlled. (f) Financial rate. (g) Preferential rates. (h) Non-essential imports. (l) Financial rate. (g) Preferential rates. (h) Non-essential imports. (l) Financial rate. (g) Preferential rates. (h) Non-essential imports. (l) Financial rate. (g) Preferential rates. (h) Non-essential imports. (l) Financial rate. (h) Preferential rates. (h) Non-essential imports. (l) Financial rate. (l) Financial r

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ESERVICE

| Company | Comp Financial Times Friday March 7 1986

40 BRITISH FUNDS	1	A 1965-706 :	MERICANS		Div ! ;YNd		<b>AND</b>	<b>O</b>	T 01	TT /	
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99 7 965 Tress 104ocCv '87	+ 🔏   6.781 10.38	30s 17 Chase MT 38s 23 Chemical 34s 22 Chestron 40s 24 Chestron 40s 24 Chestron	to \$12.5	30%+% 1 32%+% 29m+%	\$2,05 4.8 \$2,48 5.5 \$2,00 5.0 \$1,00 1.8	50 24 72 40 62 25 526 334 344 182 156 84	Conder Group	68 -1 50 . 494 +6 343 -1 152 -2	151181	32 231 44 287 43 93	瓷
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1034  924   Treas. 105pc 1999   1034-1   1034  905   Conversion 104pc 1999   1034-1   1214   1085   Treas. 13pc 2000   1214-1   1034  925   Treas. 10pc 2001   1634-psi-1	4   10.10' 10.04   4   10.72  10.16	411/2 271/2 Sarz Lee 5 161/2 111/2 Saul (8 F. 70 527/2 Southwest 491/2 321/2 Sperry Cor	) \$1	614+3   1	\$1.60 2.9 20c 1.2 \$6.00 7.0 \$1.92 4.0	46 32 240 147 165 118 270 134	Raberoid Ragby P. Cement SGB Group	225 -5 159 -1 268	78 15 62 13 75 24	23   7.3 5.0   19.0 5.6   117.9) 4.0   14.6	490   3 168   1 80
Over Fifteen Years   1254   1134   Trees. 14pc 48-01   1254   49-90   99-94   1134   1014   64   12pc 49-02   1134   1014   9012   1014   9012   1014   10	1 11.17: 10.30 1 9.79 9.81 1 10.58 10.11	484 304 San Ca. In 764 523 TRW Inc. 1 384 25 Tremacco St 202 145 Do. 10pcu	الــــــــــــــــــــــــــــــــــــ	32'431+1 86'4+14 25'4+14	\$2.30 — 5.1 \$3.00 — 3.2 \$3.04 — 8.7 10% — 6.9	97 63 22 12 540 300 79 53	Sharpe & Fisher	91 16 548 75 +1	100 55	35 11.9 26 72 83 137	305 1 240 100 177 1 97
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(b) 118-1 105-1 Trees. 2pt '88 (297.11) 117-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	(1) (2) 1 3.48 5.05 1 3.64 4.48 5 3.85 4.18	12% 7030   PGull Card 15% 10   PHawker 5 170p   80p   Henlys Gro *14% 878p   Hudson's B	ind Cariff	40p +19 12½++ 50p 12½+-	96c - 3.9 60c - 24	129 98 134 105 1832 11 107 79	Biogrien Inds	112 +4 134 +1 82 +45 101 +1	7.2 ÷ 13.5 1.8	9.5 3.7 18.0 5.0 11.3	640 4 182 98 128
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974 864 be, 24ger 20 (327.31) 8944- Prospective real redemption rate on projected initial (27.5%, fill Figures in parentieses show RPI base in 8 months prior to Issue, RPI for June 1985; 376 1986, 379.7.	on of (1) 10% and ordinfor indexing, re	400 277 Seagrand 1312 1012 Toronto-Do 33148179 Wirans Car	: Pope B	10°4+4 Ge +26	\$19.90 - 1.6 84d - 4.0 \$1.12 - 6.7	227 158 5294 515 224 177 144 65	Eiß: & Everari Esgelhard U.S.\$1.00. Foseto Minsep Haistead (J.) 10p	1% £16 267 -5 131 +1	162 23	13 163 12 — 14 1114 14 101	150 215 127 50 340 2 126
INT. BANK AND O'SE		1985/86.	KS, HP &	+ or Dis.	CH GY PE	C35   C249 488   317 C10   513 C208   C281	Hercules Incli	383 £16	14 G 3.1 18 G 3.1	3.8 — 5.2 8.2 27 20.1 4.8 —	395 [10
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97   854-Mysta 104-pct.n 2009   934-pt   1034   97   100, 124-pct.n 2008   1014   1.134   929-Mer. 164-pct. 2008   97-pt   9	11.47 10.52   12.33 11.53   17.01 17.97	550 425 Cater Allen 75 64 (Chancey S 72 33 Cine Deco	£1	28.88 R2.23 #2.5 2.4	- 7.9 - 25 4.4 11.6 - ‡ -	179 124 320 238 310 94 62 35	Remaksi 10p	160 +4 238-2 319 48	18.5 — 1 18.5 — 1 108% — 1	L9 ZJ.8 1.7 — L0 — L8 7.8	480 11 95 1 370 21 700 34 60 1
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COMMONWEALTH & AFRICA	N LOANS	508   323   Michard £1 270   173   Nat Aust, B 745   568   Nat West £105   £689   Ottoman Ba 121   92   Rothschild	262 [1 730	-6 28.2 -6 255%	943 5.7 5.8   - 5.2 -	123 77 963 440 29 14 66 47	+Blanchards 100 +Bothy Shop let 50 Botton Text. 50 Bressner	118 +5 983 +5 18 +2 55	121 35 2 30 6.7 8 	4 49.9 - 8.9	264   69 2174   51 205   13 180   11 77   2
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Building Societies  1001 994 wite 124 cr 31.386 100 100 11 994 0o. 124 cr 21.486 994 100 124 cr 21.586 9974 100 125 cr 21.586 900 100 125 cr 21.586 900 100 125 cr 21.586 900 100 100 100 100 100 100 100 100 100	1237 1235 1227 1265 1239 1276	280   175   Westpac S4 280   225   Winterest 20 Hire F	) ) )   2684     1070   1070 	1-3   Q27d 1+5   +4.9 easing. etc	27 52 71 33 26 165	28 15 93 68 304 1304 425 270	Durtell Hides, 100	21 89 300±+2 417	th0.92 4.4 1 th1.5 5.5 0 t3.8 5.7 1 t2.3 3.2 3	31.7 5 20.9 7 33.6 3 19.2	80   2 205   15 288   12 2135   57 120   7 37   1
10012 994 0o.1212c 9 6.86 9971 10013 994 0o.1212c 30.6.86 9911 10014 991 0o.1112 pc 21.7.86 9911 9911	12.51 12.66   12.33 12.67   11.97 12.56	£1261- £415-Cre B'ore F 201 <sub>2</sub> 161-Equaty & Ge	hancery Securities r 100 c109 be en 50 191	64 + 17 (0)32-0	- 12 - 24 66 84	73 27	Elis & Gold 159 Empire Stores Etam 10p Executes 20p	75 166 226 85 +2	13.0 3.6 1	9 21.0	128 4 395 25 194 14 140 7
100 98 to 11 pc 1986 99 2 di 1004 98 to 11 pc 15.986 99 2 di 99 1 98 to 11 pc 20.10.86 99 2 di 99 2 di	11.45 12.39	86   55   Lnd.Scot.Fi 52   26   Moorgate A 400   192   Prov. Finan 149   58   Magon Finan	Merc 10p 86  Merc 10p 390  Incz 148  er 1R20p 198		2.0 5.0 13.0 1.7 4.5 (15.7) • 5.8 • • • 1.0 •	138 72 135 25 185 140 394 162	Fine Art Ders. 50 Ford (Martin) 10p Forminster 10p Freemans	124 126 +2 185 378	13.2 2.2 3 6.03 3.2 4 15.5 3.7 2	7 95	*289 7 170 6 132 6 505 38
991 972 00 11 pc 15.12.86 991 + 100 982 00 12 c 12.187 1100 + 100 14	1 1162 1219 1200 1195	BEERS 315   153   Allied-Lyon	, WINES	& SPIRIT	s I	375 145 137 73 100 42 185 107	French Connection 50. FGabico 50 FGaust (Rowland) FGee (Cecil) 10p	215 130 -4 92a 130	6525 28 3 28 25 3 410 4 1 428 14 3 115 17 5 152 22 7 620 08 4	1 201	335   8 215   16 92   7 107   8
Financial	1 729 10.24	697   472   Bass	rewery 46	+10 1140	23 34 159 32 30 145 25 23 196 24 42 138 18 47 212	51 34 110 81 154 60 105 42 237 153	Gete Rosen Sp Getter (A.J.) 20p Gent (S.R.) 10p Geotherg (A.)	102m+2 64 -2 105 +2 190	11.5 17 5 15.7 22 7 12.0 0.8 4 11.0 5.2 1 7.5 1.7 5	3 9.0 5 464: 4 20.1	190   100 £18   £10 140   2 197   130
103-2 98 New in Ind 11pt Units 88 1091 100 1964 00 11 hpt Units 190 11 103-2 1	4 8.58 10.50   11.90 11.30	84   50   Backley's B 197   120   Bulmerth F 525   405   Barromeon 485   221   Clark (Matt	7.) 50 32 7.) 50 368 1 Brewery 500 them) 470ac	2.7 4.9 10.0 4.1 10.0	15 47 195 10 42 1338 33 29 119 38 21 177	42   12	Goldsmittis Grp. Goodman Bros. 59 Grantan Great Universal GUS A	33 <sup>1</sup> 2		3 17.3	229 17 245 177 119 7 325 24
821d 7412 Do. 71 gr.A '91 -94 80 st. 921d 8212 Do. 90 A '91 -94 883 yest. 89 82 Do. 87 gr.La '92 -97 864 yest.	12 9.06 10.90 1 10.17 11.10 1 10.26 11.00	457   237   Dampurts B 825   420   Devenues U 646   270   Distrillers SC 450   360   #Faller Smit 196   158   Greenall Wi	A) 825 bp 630 b Turn. A. 458	+13.0 +15.0	15 29 34.0 25 23 24.0 B I 34 12.8	67   58 288   168 291   22	For Habitat : Manades Hungare 10p. Harris Queensary 20p. Helese Los. 10p	an Sinyebance	R15 28 3 140 24 2 1148 18 7. 120 14 7.		6214 11 545 10 265 16 384 23 400 8
FOREIGN BONDS & RAI	ILS	252   146   Greene King 324   225   Gaistness 1123   £105   Do 81.pc.C 85   60   Highland Di	210 282 10	+8 +487 7.2 +2 08%	31 33 135 30 36 106 - 17.7 -	39 21 390 200 5216 6167 127 93	Horks Group St Home Charm 10p Do. 7pcLe 1997-04 .l House of Lerose	332 +12 192	1279 SU 1	7 202	225 166 390 185 484 300 134 97
25   17   Chinese 41 <sub>2</sub> ex 1898	<u> </u>	177   122   Invergorder 275   123   Irish Distific 400   270   Macatlan-G 92   57   Marston Th	158 275 1671/761 329 1671/761 329	+2 1.98 4.29 +5 100 194	23 37 17.1 32 38 11.5 16 23 24.2 30 15 28.0 30 31 15.4	140 116 90 72 -90 37 134 93	Jacques Vert 10p Liones (Ernest) 10p Kent Clobri 5p LCP Hidgs	140 +2   860 79s	95.5 19 5. 19 11 6. 61.79 30 3. 16 2 13 4	6 13.1 5 14.2 2 14.7 9 21.2	192   147 155   100 345   17
62 52 Greek 7pc Ass. 52 59 52 Do. 6pc 28 5th Ass. 52-of 56 50 Do 4pc Mixed Ass. 50 80° 67 Wayer, 294 Ass. 72	3 (5.89 2 (4.02	375   275   Merrydow 240   180   Mertand 193   127   Ruddle (G 199   125   Scott & Merr	m Wise 370 230 155 20p 197	1038 104 0	30 31 154 40 21 17.1 28 40 127 35 37 101 22 51 116	38 21 225 100 856 375	Lates Profe 200 Lee Cooper	188 -9 828	367 4.0 2 16.6 4.2 1 16.6 4.2 1	8 9.7 5 22.7 5 23.1	307 173 350 237 265 155 388 244
136-114 Hydro Quebec 15pc 2011 1332-12 65   62   Ice-land 6-3pc 163-88 89 125-1   104-1   10   141-3pc Lm 2016 1   125-1   161-1   125-1   161-1   151-1   161-1   1	15.00   11.00   14.5   14.10   14.5   10.49   -   10.45	280 184 (Whithread ) 465 270 Woh & Dus 245 185 (Young Bress	A' 260 they 465 y 'A' 50p . 205	3142	22 42 138 24 38 130 32 26 170 20 44 164 20 47 152	190   142 195   115 97   50 335   218	Liecroft Kilgour 10p Martin & Spencer Martin (A.) 20p Mescrips (J.)	265 x + 7   1826   188   -3   97   +2   310	24d — 0. 70 25 3. 13.4 2.1 2. 13.0 27 4. 13.38 4.8 1.	4 96	253   175 143   56 172   75
951- 82 listant 6" 33-88 94 161 161 Pers Ass. 2007 1561 pr 592 592 Turn 9pc 1991 592	6 11.20 . 5.22 9.82 9 1/12.00	195   130   130 Non V BU!LDI 280   215 JAMEC 500	. 549 199 ING. TIMBE	ER, ROAD	S 22:64'88	195   116 615   305 150   95	Milletts Lers, 20p Moss Bros 20p	190 585 138  +2   250  +9	#395 —   # #50 39   L 36 28 3	2 301 7 13.8 1 28.8	100   57 325   220 188   58 20   3
	Div   Y'ld	246 • 17]1; Aberdeen C 310 • 80 • 44:04:: 52: -60   29 Amplife 10	oess	17 25 17 25 1+15 130 1-6 01	26 52 116 23 42 145 20 45 1157 - 03:-	108 : 48	Pertos 100	520 es 79 +3 100-e	180 38 3/ 150 34 1/ 1035 77 0  130 26 4/ 05  —  0	6 133 1 6 121 4	40 / 15 300   218
501 <sub>7</sub> 344 Abbort Labr 0	\$140 - 20 \$120 - 20	423   212   898 ints 5 353   206   Baggerage 32   20   Bailey (Ben 70   25   Baldwin (H	J110p. 43	+3 17.71	40 78 128	118 100 1 170 125 31 20	Peters Stare, 10a Present (Alfred). Prosequent Hop 10a Rumar Yests, 50 Ratners, 10a	281/ 128 +2	387 14 15 61 B 3.1 11 115 22 7.1	1 '20 5 9 24 5 5 (7 0) 8 26 0	222   148 430   330 10   5 521   16 145   54
774 274 Allied Sept. \$1	3140 - 74 5160 - 36 20c - 13	146 ; 66 Barrati Dev. 163 111 Bellway 72 60 Benford M 306 146 Barbalay Gr	. 10p 144 159 10p 69	-2 7621 -4 70 3751 +27 1036	02 76 - 16 63 143 07 78 367 16 13 301	50 23 164 95 38 17 43 53	Rend Again 'A' N V SAU Storm 121:0 Do 311-ee Pl 121:0	143 30 37	45 24 4	13.2	194 120
81 614 American ( 5 T.Si . 151 <sub>2</sub> +1 <sub>4</sub> 82 1514 American ( 7 T.Si . 151 <sub>2</sub> +1 <sub>4</sub>	\$6.60 - 61	88 50 Bett Bros 2 910 540 Blockleys 20 603 468 Blue Cercle : 259 190 Breedup Lin	)p895 []603 n√ 259	+1 200 +1 200	3.2 3.4 11.8 25 47 .961	190 118 91 72 127 78	Samuel (N.)	168 +3 80 +1 1251,-1,	417 10 3	208	275 160 177 55 115 66 34 15 120 80 142 101
304 20 Bankers N Y S10 28 +4 124 4779 BASIA Corp 690p +10	h148 38	160 120 66 6 EA 29 55 Betch Dres 29 55 Browster	geng 123 69 66	345 \$25 25 \$10	17 54 154 02 1 21 52 128 22 1 74 24 47 125	330 195 316 162 81 42 110 721 <sub>2</sub>	Smath (W. H.) A 500 Stanley (A. G.) 50 Stead & 540 A.	325 2941 74 94 +2 120 -4	18 0 00 575 37 20 650 30 20 25 14 40 134 16 50 122 35 20	2 18 1 5 11 9	44 22 370 110 101, 5
81% 604 Bell Atlant < \$1 79% + 117	\$6.80 61 F	10): 64 Вузач Нюч	. 101	-c 53 i	47 1251	36	Sterriberg 10p			<b>.</b>	136 75

| FIRMS | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 1987 | 41 TRUSTS—Cont.

| Final Cont. | MINES-Continued FINANCE, LAND-Cont. INVESTMENT TRUSTS-Cont. n<sub>h</sub> +2 Miscellaneous Finance, Land, etc MINES Central Rand | Contract "Recent Issues" and "Rights" Page 38 (International Edition Page 42)

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £875 per Januar for each security.

March 7

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### MARKET REPORT

Account Dealing Dates

Option
\*First Declara- Last Account
Dealings tions Dealings Day
Feb 24 Mar 6 Mar 7 Mar 17
Mar 10 Mar 26 Mar 27 Apr 7
Apr 1 Apr 10 Apr 11 Apr 21

"New-time" dealings may take
place from 9.30 am two business days

The emphasis switched from range emphasis switched from leading equities to Government securities as interest rate optimism took a stronger hold yesterday following confirmation of the cut in the West German discount rate. The reduction, which it is hoped will be the first in a co-ordinated move towards lower international interest rates, was not a surprise. But it gave rise to speculation that Japan would follow early next week and the US shortly afterwards with the UK authorities to the state of Budget

day. Renewed domestic and foreign kenewed domesuc and foreign buying dispelled early doubts over the market resuming Tuesday's upturn and selected longer bonds rose 1½ points before reacting late on the Prime Minister's statement that the UK Minister's statement that the UK would join the EMS when the time is appropriate. Demand throughout the session was concentrated on partly-paid issues and recent newcomer Conversion 9½ per cent 2005 "A" moved up to 23½ before closing a net § up 17 272.

Sentiment also reflected another stable performance by the pound in foreign exchange markets and a further slight easing in money market rates. Three months interbank settled at 12½ per cent, some ½ below the current level of bank base lending rates. All conventional Gilts advanced at the expense of index-linked stocks; further switching from the latter sector also reflected

switching from the latter sector brought fresh losses ranging to \$. Leading industrials went ahead in the early trade and the indices achieved fresh inter-day peaks. Investors were enthused over Wall Street's turnround late on Wednesday but business was more evenly balanced than on the two previous trading sessions. Profit-taking brought some

per cent jump in annual earnings to £854m, which nevertheless failed to match most recent optimistic estimates—one brok-ing house had forecast £880m less failed to match most recent optimistic estimates—one broking house had forecast £880m—and the shares reacted to 485p on profit-taking before closing 13 down on balance at 488p. Other clearers drifted lower, with sentiment also a shade unsettled by fears that the latest set of bumper results could lead to

**EQUITY GROUPS** 

& SUB-SECTIONS

CAPITAL GOODS (212) Building Materials (24)

Mechanical Engineerium (63) \_ Metals and Metal Forming (7).. Motors (18) ...... Other Industrial Materials (22)... CONSUMER GROUP (184) .... Brewers and Distillers (23) ..... Food Manufacturing (22) ...... 

Publishing & Printing (13) ...
Packaging and Paper (15) ...
Stores (43) ...
Textiles (16) ...
Tobaccos (2'

OTHER GROUPS (86)

FT-SE 100 SHARE INDEX 4 ...

**FIXED INTEREST** 

+0.14

136.61 +0.16 | 136.39

144.05 +0.27 143.67

159.23 +0.58 158.31 133.71 +8.17 133.43

116.70 +0.29 116.47

-8.37 ICS.33

-0.56 109.40

-0.52 109.21

| 82.10 | +0.24 | 81.98 | \_\_ |

207.93

103.79

168.64

Property (51)... Other Financial (25) investment Trusts (103) . Mining Finance (3) ...... Overseas Trade

British 6

2 5-15 years .

5 All stocks.

3 Cver 15 years.

7 Over 5 years ..

8 All stocks...

Office Equipment (4)
Shipping and Transport (12)...
Telephone Networks (2) ......
Miscellameous (49)

Electronics (38) ...

# Interest rate hopes inspire Gilts Equities consolidate recent gains

FINANCIAL TIMES STOCK INDICES

the imposition of a "windfall" profits tax in the forthcoming Budget. NatWest closed 6 down at 730p, after 725p, while Lloyds softened a few pence at 528p, after 525p. Midland also gave up 3 at 478p, after 475p, following comment on the preliminary figures. Elsewhere, Standard Chartered revived strongly as speculative buying fuelled by vague rumours of a bid from Hong Kong and Shanghai Bank lifted the shares 25 to 522p. Smith St Aubyn firmed 3 to 38p and Schroders, still responding to recent press comment, put on 2 more for a rise so far on the week of 1¢ points at £13½. Commercial Union touched a new peak of 291p following press comment on the results and a broker's profits upgrading before closing 4 to the good at 289p. Midland Bank merger rumours continued to surround Prudential which firmed 6 more

Prudential which firmed 6 more to 882p, while Britannic added 13 at 868p and Sun Life appre-ciated 9 at 907p.

Allled-Lyons continued to feature Breweries, rising 12 for a two-day advance of 20 to 315p following a broker's bullish Leading Buildings Leading Buildings turned irregular as recent buying enthusiasm waned and light profit-taking developed in a few places. AMEC came back 7 to 246p and Redland softened a couple of pence to 417p, but Costain continued firmly at 494p, up 6 and Tarmac gained 4 more to 424p. The Timber sector displayed a couple of bright features. Meyer International rose 9 to 208p, after 210p, on the announcement that the company had disposed of it minority pany had disposed of it minority interests in Delta Berhad and Delta Far East for about £4.4m on the two previous trading sessions. Profit-taking brought some recent high-fliers down and certain stocks showed falls of double-figure amounts. The majority of blue chips, however, were not prepared to surrender much ground.

Speculative activity continued in some areas of the market, although features arising from "new-time" interest were few. Ilustrating the overall trading pattern, the FT Ordinary share index fluctuated between 1306.8 and 1298.2 before closing 1.9 lower on the day at 1299.4.

Barclays Icwer

Barclays concluded an altogether impressive clearing bank dividend season, reporting a 37 per cent jump in annual earnings to £854m, which nevertheless failed to match the state of the profit taking left Foseco 5 cheaper at 269p. and sold its interest in a freehold

cheaper at 269p. Proceedings in

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

8.33 9.94 7.89 8.61 9.26 8.73 6.13 7.89 9.63 5.24 7.79 8.63 10.23 7.64 8.37

Day's Change %

1850.69

728.65 +1.1 9.84 1850.69 +8.1 8.77 1857.73 +0.9 7.89 1706.06 -0.4 8.61 383.79 +0.1 9.24 294.59 -0.6 7.48 8.73 1233.36 +8.8 6.13 857.76 -0.1 7.89 859.78 +0.1 9.20 626.97 +0.5 9.63 1458.55 +8.1 5.22 870.63 -0.4 7.44 2169.97 -0.2 7.79 626.84 -0.8 8.09 803.37 -0.7 6.68 472.96 -1 10.25 1072.07 -0.2 12.31 817.34 +0.1 8.27 924.59 +0.6 10.12 253.49 - 7.64 1535.43 - 6.46 984.46 +0.3 8.37 979.81 -0.5 7.09 812.29 - 8.10 1104.30 -1.7 19.74 838.97 -0.2 9.28

£38.97 -0.2 9.28

18.04

5.48 7.40

-0.2 -0.8 +0.4 +0.2 +0.2 +0.1 -0.3

761.12 -8.1 —

nd adj. 1986 to date

1.78 2.16 3.13

1.62

2.18

0.81

0.71

0.73

1.23 1.67

571\_59 576\_74 868\_75 464\_17 1244\_71 336\_35 725\_73 327\_44

279.63 653.13

Wed Mar 5

120.09

Thur Mar 6 1986

Gross Div. Yield% (ACT at 30%)

3.40 3.73 4.24 4.09 2.78 3.88 5.63 3.42 2.91 3.27 3.61 4.10 2.49 2.22

15.11 13.86 15.10 16.52 15.27 13.20 16.31 19.46 15.92 13.82 13.82 21.15 22.47

3.89 13.39

7.80 -19.65 24.43 16.22

9.73

8.93

AVERAGE GROSS REDEMPTION YIELDS

| Index | Day's | Day's | Day's | Mar | Mar | Mar | Feb | Feb | Year | No. | Change | High | Low | 5 | 4 | 3 | 28 | 27 | ago | 2566.1 | -3.0 | 1575.6 | 1566.0 | 1569.1 | 1548.9 | 1538.9 | 1543.9 | 1549.5 | 128.58

4.32 5.61 3.91 4.38 3.44 3.10 3.41 4.13

7 High 8 Coopens

ladex-Linked
11 Inflat'n rate 5%
12 Inflat'n rate 5%
13 Inflat'n rate 10%
14 Inflat'n rate 10%

		Mar.	Mar. 5	Mar.	Mar. 8	Feb. 28	Feb. 27	Aest
Governmen	t Secs	. ' 86,38	86,16	1	85,21	85,43	86,55	80,08
Fixed Inter-	est	. 90.90		-	89,69			
Ordinary ▼ .		1899.4						
Gold Mines.		339,8					33 <u>2_</u> 2	481,0
Ord. Div. Yi	eld	4,10		4.13			4,11	4,5
Earnings, Y	id. Xifuli	9.93	2,92	9,72	9,83	9.76	9,84	11.18
PIE Ratio (n	et) (*)	. 12,46	12,48	12,68,	12.55			
Total barge	ins (Est.	\$5,500	36,099	37,218	<b>₹7,507</b>	32,300	31,855	25,320
Equity turn			855,12	734,85	564,85	762,99	868_24	474.9
Equity being	en الم	. – i	33,881:	32,265	32,058	35,516	33,235	24,028
♥ 10 am 1 3 pm 1299,	304.1. 11 3. 4 pm	em 130 1 299.8. curities 1	1 5. Noo Day's I 5/10/26.	n 1299.1 ligh 130 Fixed i	 9, 1 pm 6,8, Da Interest	1928. Q	. 2 pm r 1298.2 rdinary	1298.5 Bests
♥ 10 em 1 3 pm 1299, 100 Govern Gold Mines	304.1. 11 3. 4 pm ment Se 12/9/56	em 130 1 299.8. curities 1	1 5. Noo Day's 1 5/10/28. vity 1974	n 1299.1 ligh 130 Fixed i	 9, 1 pm 6,8, Da Interest	 1298.4 19's Low 1928. 0	. 2 pm r 1298.2 rdinary	1298.5 Besi: 1/7/36 =12.01
♥ 10 am 1 3 pm 1299 100 Govern Gold Mines	304.1. 11 3. 4 pm ment Se 12/9/56	em 130 1299.8. curities 1 SE Activ	1 5. Noo Day's 1 5/10/28. vity 1974	in 1299. ligh 130 Fixed i Latest	9, 1 pm 6.8. Da interest index 0	 1298.4 19's Low 1928. 0	. 2 pm r 1298.2 Irdinary 28. PNil	1298.6 Basis 1/7/38 =12.01
♥ 10 am 1 3 pm 1299 100 Govern Gold Mines	304.1. 11 3. 4 pm ment Se 12/9/56 IIGHS	em 130 1299.8. curities 1 SE Activ	1 5. Noo Day's 1 5/10/28. rity 1974	n 1299. ligh 130 Fixed i Latest	9. 1 pm 6.8. Da interest index 0	1298.4 19's Low 1928. 0 1-246 80 S.E. A	. 2 pm r 1298.2 rdinary 28. *Nil CTIVII	1298.6 Basis 1/7/38 =12.01
♥ 10 em 1 3 pm 1299. 100 Govern. Gold Mines	304.1. 11 3. 4 pm ment Se 12/9/56 HIGHS /	1 em 130 1299.8.1 Curities.1 SE Activ AND LC	1 5. Noo Day's F 5/10/28. rity 1974 )WS Since Co High	in 1299.5 ligh 130 Fixed in Latest	9, 1 pm 6.8. Da interest index 0	1238.4 1928. 0 1928. 0 1928. 0 1928. 0 1928. 0 1928. 0 1928. 1	. 2 pm r 1298.2 Irdinary 28. *Nil CTIVIT	1298.6 Basis 1/7/38 =12.01
9 10 am 1 3 pm 1299, 100 Govern Gold Mines	304.1. 11 3. 4 pm ment Se 12/9/55 IIGHS / 198 High 86,39 (6,5/88)	1 em 130 1299.8. curities 1 SE Activ AND LC 5/86 Low 78.02 (28/1/85)	1 5. Noo Day's I- 5/10/2 I- 5/10/2 I- 1974 WS Since Co High 127.4 (9/1/86)	in 1299.1 ligh 130 Fixed Latest Entest Low 49.19 (5/1/75)	9. 1 pm 6.8. Da interest index 0 Dali Gilt E Bary Equiti	1298.4 y's Lov 1928. 0 1-246.80 S.E. A 10CES	2 pm r 1298.2 Irdinary 228. *Nil CTIVII Mar. 8	1298.6 Basis 1/7/36 = 12.01 Y Mar. 4
9 10 am 1 3 pm 1299, 100 Govern Gold Mines	304.1. 11 3. 4 pm mont Se 12/9/56 HGHS 198 High 86,39 (6/5/86) 90,90	1 em 130 1299.8. curities 1 SE Activ AND LC 5,866 Low 78,02 (28/1/85)	1 5. Noo Day's I- 5/10/28 Pity 1974 WS Since Co High 127.4 (8/1/86) 150.4	in 1299.1 ligh 130 Fixed in Latest in Low 49.18 (6)1/76)	9. 1 pn 6.8. Da interest Index C	1288.4 y's Low 1828.0 1-246 80 S.E. A 10CES	2 pm 1298.2 1298.2 1298.2 28. *Nii CTIVII Mar. 8	1298.6 Basis 1/7/36 = 12.01 Y Mar. 4
10 am 1 3 pm 1259, 100 Gavern Gold Mines  Govt. Secs.	304.1. 11 3.4 pment Samuent Samuent Samuent Samuent Samuent 12/9/56 HIGHS // 1988 High 96.38 (6.5/88) 90.90 (6.5/88)	1299.8. curities 1 SE Activ AND LC 5,886 Low 78.02 (28/1/85) 182.17	1 5. Noo Day's   5/10/28 5/10/26 WS Since Co High 187.4 (8/1/86) 150.4 (28/11/47)	in 1299.5 ligh 130 Fixed i Latest Low 48,18 (6/1/76)	9. 1 pn 6.8. Da interest Index C	1288.4 y's Low 1928. O 1-246 80 S.E. A SIGES 3ged 3ged 3gins	2 pm 1298.2 rdinary 28. *Nil CTIVII Mar. \$	1298.6 Basis 17/7/38 = 12.01 Y Mar. 4
♥ 10 am 1 3 pm 1299, 100 Govern, Gold Mines	304.1. 11 3.4 pm mont Sa 12/9/55 HIGHS / 198 High 86,38 (65/88) 1501.3	1299.8. curities 1 SE Activ AND LC 5,886 Low 78.02 (28/1/85) 182.17	1 5. Noo Day's + 5/10/26. rity 1974 )WS Since Co High 127.4 (3/1/66) 150.4 (28/11/47) 1301.3	in 1299.1 ligh 130 Fixed in Latest in Low 49.18 (6)1/76)	9. 1 pn 6.8. Dz interest index 0 Dalit Git 2 Bary Valit 6 day/ Git E Bary	1298.4 y's Low 1928. 0 1-246 80 S.E. A SIGES 1984 1984 1984 1984 1984 1984 1984 1984	2 pm 1298.2 rdinary 28. *Nil CTIVII Mar. \$	1298.6 Basis 1/7/36 = 12.01 Y Mar. 4
3 pm 1299, 100 Govern Gold Mines 2 Govt, Secs. Fixed int	304.1. 11 3. 4 pm ment Sai 12/9/55 IIGHS / 198 High 86.38 (5/88) 1501.3 (5/88)	am 130 1239.8. curities 1 SE Actin AND LC 5/86 Low 78.02 (28/1/8) 1 82.17 28/1/85 911.0	1 5. Noo Day's   5/10/26. rity 1974 )WS Since Co High 127.4 (8/18/2) 150.4 (28/11/47) 1301.3 (6/6/88) 734.7	in 1299.1 ligh 130 Fixed i Latest Impliation (6/1/76) 48.4 (2/1/76) 48.4 (2/4/76)	9, 1 pn 6,8. Oz interest index 0 Dail Git E/ San Yalu Git E/ Ban Yalu Git E/ Ban Equiti	1298.4 y's Low 1928. 0 1-246 80 S.E. A SIGES 1984 1984 1984 1984 1984 1984 1984 1984	. 2 pm r 1298.2 rdinary 28. *Nii CTIVII Mar. 8 179.6 219.5 1788.4	1298.6 Bash 1/1/38 =12.01 War. 4 204. 209. 1,484.

disappointing business. Storehouse dipped 8 to 298p, as did
Gussies A at 875p. Secondary
counters, in contrast, responded
to revived speculative demand.
Home Charm, volatile recently
following an abortive bid
approach, rallied 12 to 332p,
while Next put on 9 to 250p.
Martin Ford, anticipating
development in the near future
in the wake of the recent takeever approaches, hardened a
couple of pence to 126p, after
129p.
Gable and Wireless continued

Cable and Wireless continued firmly among Electricals, rising 10 more to a new peak of 688p; the second and final instalment of 287p per share is due today. Racal improved 4 at 198p and Thorn EMI edged forward a couple of pence to 489p, but GEC softened 2 at 208p. STC gave up a similar amount to 116p at 128p. GEC softened 2 at 208p. STC usly sold gave up a similar amount to 116p 15 to 95p. awaiting today's preliminary not closed ter 974p. buying 4 to 82p. Elsewhere, renewed speculative support lifted Lec buying 4 to 82p. Questel responded to a broker's recommendation with a rise of 17 at 205p. International Signal leading and Control added 10 at 355p, while recovery hopes lifted Quest Automation 9 to 35p. as did Sound Diffusion to 45p, oloworth, proporation possible mail selvent and lost 8 at 108p, after relatively

137 684.09 672.06 668.35 541.84 0.56 721.05 712.28 718.76 489.57

2.30 1849.14 1837.83 1834.77 689.37 1.56 1841.64 1819.32 1827.71 1503.42 6.02 1712.82 1675.17 1657.72 1710.26

2.78 | 15.27 | 6.02 | 171.28 | 1675.17 | 1513.42 | 1683.18 | 13.20 | 6.64 | 383.22 | 375.02 | 372.47 | 296.53 | 563 | 16.31 | 9.90 | 296.27 | 294.70 | 295.85 | 285.73 | 342 | 13.98 | 0.34 | 271.81 | 270.58 | 271.61 | 163.85 | 291 | 19.46 | 2.35 | 122.4% | 1196.52 | 1186.58 | 999.99 | 327 | 15.92 | 2.07 | 850.76 | 849.55 | 846.85 | 654.21 | 361.13 | 361.13 | 361.24 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361.25 | 361

8.21 5.97 21.65 1123.24 1102.68 1197.58 1216.67

3.96 - 2.56 762.12 752.48 747.39 619.59

3.36 840.24 827.82 822.51 677.74,

8.28 572.55 570.66 853.83 850.65 8.00 581.10 579.14 551.88 443.55 8.00 855.49 852.51 840.25 649.36 80.96 855.49 852.51 840.25 649.36 80.96 336.10 533.38 331.99 233.27 8.69 727.88 727.03 727.31 654.28 8.09 532.32 531.89 329.95 289.94,

1.90 690.85 697.33 695.81 635.62 80.90 282.27 273.75 274.15 295.77 7.85 646.27 647.38 649.14 655.89

9.27 9.55 9.55 10.44 9.67 10.55 10.87 9.46

4,72 3,80 3,68 3,65

11.07 18.85 18.68

Over 5 yrs...

9.36 9.58 9.59 10.47 9.70 10.58 10.09 9.78 9.51

456 3.77 3.52 3.61

11.11 19.90 10.70

12.24 11.57

the wake of the results.

Apart from Vickers, which drifted back 8 to 423p on profittaking, there was little of interest in the Engineering leaders. Elsewhere, Ti advanced 13 to 471p, while stakholder Evered, gained 8 to 216p. Bid speculation left Thomas Locker 5 to the good at 37p and the A shares 5½ dearer at 33p. Davy Corporation, an old takeover chestnut, encountered a flurry of buying activity tered a flurry of buying activity and closed 11 to the good at 106p. Demand persisted for Weir Group, 5½ up at 91p, while among smaller priced issues, Wellman came to life with a rise

of 3½ at 24½p.

S. & W. Berisford, marked up to 219p initially on rumours that Tate and Lyle was about to launch a "dawn raid," eased back in the absence of any developments on the bid front to close 2 cheaper on balance at 211p. Tate and Lyle, which currently speaks for 2.6 per cent of the Berisford equity, were a dull market and settled 5 cheaper at 590p, but Hillsdown Holdings, with 9.09 per cent of Berisford under its belt, firmed 5 to 230p. Cadbury Schweppes rose 4 to 170p, after 172p, in reply to the slightly better than expected annual results, "while Unigate revived with a rise of 4 at 252p. Among Food Retailers, Tesco encountered, profit-taking and slipped 5 to 335p, but Albert Fisher attracted buyers and spurted 13 to 183p. Elsewhere, Christian Salveson firmed 5 to 143n following a broker's recom-Christian Salveson firmed 5 to Shell lose ground 143p following a broker's recom-

Reckitt & Colman up

The chairman's cautious remarks at the annual meeting marks at the annual meeting depresed Grand Metropolitan, wheih dipped to 405p prior to cloing a net 10 off at 410p.

Most leading miscellaneous

eased 5 to 72p after the interim statement.

Recently firm Lex Service dropped 14 to 321p on news of the shock annual profits setback which saw earnings nearly halved to £23.6m. Elsewhere in Motors, Armstrong Equipment advanced 6 to 116p, after 118p, as investors showed increased interest ahead of the interim results scheduled for March 19. Publishers were little changed

Publishers were little changed on balance with the notable exception of Bristol Evening Pest which were marked 45 higher to 615p following the disclosure that Kent Holdings has increased its stake to 25.4 per cent. Interest also revived in cent. Interest also revived in Associated Book Publishers, 10 up at 208n

up at 208p
Courtailds attracted fresh support and rose a few pence more to 254p, but other leading Textiles gave modest ground. Dawson fell 6 to 228p, while Vantona Viyella shed 4 to 442p. Marks and Spencer supplier Corah, down to 544p in immediate reaction to the annual profits setback, rallied to 594p—a fraction firmer on balance—on consideration of the confident tenor of the accompanying stateconsideration of the consideration of the accompanying statement. Buyers returned for John Beales, 6 up for a two-day improvement of 11 to 125p, while Leeds closed 7 higher at 137p. Dealings in David Dixon were suspended at 325p pending an announcement.

announcement.

Exco International, dull on Wednesday following the termination of merger talks with Morgan Grenfell, rallied a few pence to 224p, aided by a "buy" recommendation from brokers de Zoete and Bevan. Mercantile House, however, came on offer and dipped to 317p before settling 11 cheaper on balance at 324p.

Shell featured the leading Oils and rereated 12 to 698p on end-Account profit-taking; preliminary results are due next Thursday. BP initially touched 530p, but thereafter drifted back to close a few pence easier at 525p. Fears of a reduction in the 1986 dividend, to be announced on March 25, prompted renewed

### **WEDNESDAY'S** YESTERDAY'S **ACTIVE STOCKS ACTIVE STOCKS** Above average activity was noted in the following stocks yesterday. Commercial Union.... Corah Corah Cowle (T.) Grand Metropolitan Harris Queensway ICI Int Signal & Control... Lax Service NatWest Benk

yesterday.

Closing Day's price change 170 + 4 289 + 4 59½ + ½ 146 -10 250 + 10 958 + 4 0 321 -14 730 - 6 471 + 18 Day's change + 8 + 4 + 150 + 20 + 12 + 36 + 12 + 12 + 12 Stock C
Comm Union ...
ICI ....
BAT Inds ....
Brit Aerospace
BSR Intl ...
BTR ....
NotWeet Bank
Raine Inds ....
Helical Bar ....
HIZ ....
BOC .....

Ti Trafalgar Housi		71 +18 14 - 2		e and W			
	ROPEA	May		Aug.	l N	CY.	E Stock
Ser	les V	ol. Last	Vol.	Last	VOI.	Last	Stock
GOLD C GOLD C GOLD C GOLD C GOLD P GOLD P GOLD P GOLD P	8360 \$370: 14 8380; 8400; 8320; 8330; 19 8340; \$350;	52   16.50 B 5   B 41   5.20 20   3,50 2   1,70 50   2.80 06   5.50 A 70   9	101 9 25	17A 12 6 	35	34 23.50 16.60 	
		Mar.	J	une		ept.	
SILVE C C C C C C C C C C C C C C C C C C C	F1.370 F1.385 F1.250 F1.250 F1.260 F1.270 F1.275 F1.340 F1.255 F1.260 F1.260 F1.260 F1.275	00   4 	13	6 A 2.20 A 8.80 A 4.80 3.20 3.20 3.50 A 8.40 A 7.30 A 9 B 12.50 19.50 B		i -	
	4551	Apr.	. Ju	-	_	ct. . 210	F).588
ABN C ABN P AEGN C AEGN P AH C AH P AKZO C AKZO C AKZO P AMEY C AMEY P	F1.80  32 F1.75  82 F1.250  67 F1.140  26 F1.80  31	13 6 1,20 8 13 5,20 15 4,50 16 16 15 0,40 17 4,30 8 12 3,60	95 17 125 6 140 38 42 25	28 16 3.80 4.20 4.30 5.30 17 2 6		4.80 6.70 21.50 8.50	FI. 187,20 FI. 74,40 FI.184 FI. 80.70
AMRO C AMRO P GIST C GIST P HEIN C HEIN P HOOG C HOOG P KLIM C KLIM P	F1.110 56 F1.90 10 F1.280 16 F1.250 11 F1.250 20 F1.90 48 F1.90 4 F1.55 35 F1.50 15	0 0.60 B 1 7.80 B 4 1.60 9 8.80 9 3.70 8 3.70 8 3.30 1 4.30	244 1 20 3 81 125 241 8	17.60 12 6 A 5.50 7.80 5.80 1.90 2.60	121788	81,60 15 8,50 8,30 6,80	FI, 107,5 <sup>6</sup> FI,288 FI,250 FI, 85,30 FI, 65,50 FI,177,60
NEDL P NATN C NATN P PHIL C PHIL P	F1.80 56	18 1.60 1 1.60	115 3 403 56 856	19,70 5,80 5,70 3,40 3,20 3,10	50 107	5.30 i	F1. 78 F1. 62.50 F1.168.70

TOTAL VOLUME IN CONTRACTS: 45,569. A=A4k

8≐Bid

### RECENT ISSUES

weakness in LASMO, which dropped 10 more to equal the 1985-86 low of 140p. Tricentrol, where the dividend is also thought to be under threat, lost 8 to 115p. Ultramar, reporting full-year figures on Wednesday, gave up a similar amount to 207p, while Britoll ended the day 5 cheaper at 175p. There were numerous weak spots in secondary Oils, especially Lysander Petroleum, 8 down at 40p. EQUITIES

industrials fluctuated within fairly narrow limits setting with mixed movements on the day. However, Reckitt and Colman were noteworthy for a gain of 20 at 749p as demand persited. BOC ended 5 to the good at 359p and BTR a similar amount dearer at 448p. Metal Box, in contrast, encountered further profit taking at 640p, down 15. along with Reed International which gave up 14 to 800p. Elsewhere, Williams Holdings responded to the good pre-liminary results with a rise of 26 at 548p, while Wolseley Hughes, still reflecting the Grovewood Securities acquisition, advanced 21 more to 546p. Norcross were in demand at 220p, up 11. while news that Hillsdown Holdings has increased its stake to 14 per cent left Office and Electric 7 dearer at 217p. Metal Closures, a recent bid favourite. came to life with a gain of 6 at 144p; the preliminary figures are due on March 26. Cookson gained 6 more to 512p. Hyman, reflecting favourable Press mention, firmed 3\(\frac{1}{2}\) to 37p, but Thermax eased 5 to 72p after the interim statement.

Recently firm Lex Service dropped 14 to 321p on news of the shock annual profits setback which saw earnings nearly halved to £23.6m. Elsewhere in Motors. Armstrone Equipment

Profit-taking and general lack of interest unsettled UK Financials and Rio Tinto-Zine closed 6 cheaper at 627p. Consolidated Gold Fields lost 4 at 468p; interim results are scheduled for Wednesday.

Australians moved narrowly is Australians moved narrowly in quiet trading with sentiment affected by the easier trend in overnight Sydney and Melbourne markets. A handful of the golds managed modest gains—Barrack Mines rose 10 to a year's best of 200p, while Poseiden put on a like amount to 150p still sustained by talk of a hid from tained by talk of a bid from Western Mining.

### **Traded Options**

Perennial Traded Options favourite Lourho returned to favour vesterday and attracted 3,034 calls, 1,079 in the May 220's. reflecting revived speculation of a consortium bid. Operators also paid fresh attention to Com-mercial Union which recorded 2,030 calls, the April 260's and 280's accounting for 826 and 818 trades respectively. ICI were active, especially the April 800's which contributed 1,078 calls to a total of 2,486. Renewed support was also noted for British Telecom and British Aerospace which recorded 1,756 and 1,123 calls respectively. Total contracts struck amounted to 24,211.

### RISES AND FALLS YESTERDAY

Totals	814	479	1,536	in
Industrials	351 178 15 0 42 117	314 52 32 4 30 23	957 348 78 12 108 76	Bro Mai Ind Toz and
British Funds Corpns Dom & Foreign Bonds	75 36	20 3	Same 17 42	ble Am Egi

### FIXED INTEREST STOCKS

Lj	_							
t L	issue price £		454	<u></u>		Stock	Closing price £	+ or
			,– ~	High				
	98,977 — 	£50 £25 F.P. Nil F.P. F.P. F.P. E25 F.P.	25:4 10:3 10:4 10:3 16:4 25:4 25:4 25:4	3236 2914 10858 102 Išpam 1094 10012 147p 5pam 5012	301: 251: 981: 991: 7ppn 99: 1001: 140: 3ppn 251: 96:	Allied Lon.Props. 1878 IstMort.Deb. 2028 American Medical Intl. 975 Uns. L. 28111 Cantrovincial Ests. 1112 Ist Mort Db. 2016 First Scot. Am. 11125 Deb. 2016 Hampton Tat. 1187. 1st. Mort. Deb. 2029 Lawrence (W. 8.5% Gm. Cum. Red. Pref. Mecca Leisure 11125 Deb. 2011 Metionwide Bidg. Soc. 1277. 892.875 De. 1276 273.87 De. 1276 273.87 De. 1276 273.87 Porter Chad. 82 Cm. Cum.Red. Prf. 2006 Porter Chad. 82 Cm. Cum.Red. Prf. 2008 Samuel Props. 11% 1st. Mort. Deb. 2018 Throgmorton USM 542Pt.Cm. Red. Prf. Westland 712% Cnv. Cum. Prf.	294 1084 108 7ppm 104 994 1002 147p 4ppm 304 104 9912	+ 14 + 12 + 12 + 16 + 16 - 1 + 12

### RIGHTS OFFERS

lsaue	554 2 R		198	5/6	Stock ·	Closing	<u>+</u> _
price	A G	date	High	Low	ļ <u>_</u> _i	ō°	_
R0 16 <sup>1</sup> 2 207 207 530 256 70 94 215 115 140	Nil Nil F.P. Nil Nil F.P. F.P. Nul F.P.	21/3 37/8 9/4 9/4 26/3 24/3 25/4 27/3	15pm 1pm 245 57pm 78pm 40pm 11pm 128 290 28pm 175	1pn 315 20pn 50pn 35pn 10pn 106 262		15pm 19m; 240 35pm; 77pm 10pm 122 290 34pm 175	-9 +2

Renunciation data causally last day for dealing free of stamp duty. It based on prospectus estimates. g Assumed dividend and yield. It dividend cover on semilage spotated by latest tatorian statement. It is an investigated dividend, and yield based on prospectus or other official estimates for 1985. It annuallised dividend, cover and p/e ratio based on prospectus or other estimates. It indicated dividends: cover relates to previous dividend; so based on latest samual estimings, a Forecast, or estimated annualised rate, cover based on previous year's caraings. It issued by tender, holders of ordinary shares as a "rights." Ill introduction. "I issued by capitalisation. S Placing price. S Referenduced. It issued in connect reorganisation, merger or takeover. E Allotment price. & Unitsted a market. It Dealt in under Rule 535 (3). Deak in under Rule 535 if Units comprising two ordinary, one preference and one warrant, comprising one New ordinary and one 5.5 per cent Cnv.Red.Frf.

TRADITIONAL OPTIONS Last Deal- Declara- Settleines tion ment

Mar 3 Mar 14 June 12 June 23 Mar 17 Apr 4 June 26 July 7 Apr 7 Apr 18 July 10 July 21 Apr 7 Apr 18 July 10 July 21

For rate indications see end of

Unit Trust Service

Woney was given for the call
f Exco International, Thomas
ocker A, Polly Peck STC, Comparison of English Stores, Belam,
mstrad, Promotions House,
gillnton Oil and Gas. John

LOVID FUR 1985/6

NEW HIGHS (255)

NEW LOWS (27)

NEW LOWS (256)

NEW LOWS (256)

NEW LOWS (256)

NEW LOWS (257)

NEW LOWS (256)

NEW LOWS (257)

NEW For rate indications see end of of Exco International, Thomas

mstrad, remotions mose, glinton Oil and Gas, John rown, NMC, Wellcome, anders, Mellerware, Raine dustries, British Telecom, lustries, British Telecom, zer Kemsley and Millbourn d Crystalate. A put was done Access Satellite, while

doubles were transacted in Derwent Valley, Access Satellite

**NEW HIGHS AND** LOWS FOR 1985/6

Service Service Description

# LONDON TRADED OPTIONS

	CALL	.s		PUTS	E (14.57)	I CED (I		esty 1	CALLS			PUTS	
Option	Apr. Jul	1	-{	-1	Oct.	Option		May	Aug.	Nov.	-:	-1	Nov.
8.P.   500	. 48 ; 60	70	7	-    15	1 23	P. & O.	420	-i   105	;  120	·!;	2	1-3	-
(*525) 550 600 Cons. Gold 460	14   33   4   12   52   48	48 25	37 75	42 75	1 48	(*521) 	460 500 550	45 18	87 58 30	100 75 43	17 46	10 25 50	15 30
(*469) 500 550 Courtaukts   300	14 50	. I — . ; 68 ]	47 90	55 94	1 2	(* 198)	180 180 200 220	46 32 18 9	56 42 30 18	48 38 26	3 7 14 26	11 20 30	12 32 34
(*254) 220 240 Com. Unioni 200	38   45 24   89	36 36	1 8 1	15	19	R.T.Z. (*629)	500 550 600	140 92 53	150 105 74	117	3 6 17	14 30	20 40
(*290) 220 240 260 280	72 80 52 60 35 42 171 <sub>2</sub> 27	63 50	1 2 6 15	3 6 9 16	4 9 15 25	Vaai Recfs (*\$84)	650 70 80	29 191 <sub>2</sub> 101 <sub>2</sub>	2 14 le	24 161 <sub>2</sub>	40 214 5	50	57 534 916
Cable & Wire   550 (*688)   600 650 700	155   175   105   135   63   98   37   65	125 120	1 2 12 35	8 20 50	6 15 30 65	TR() -2 (99) (*£105)	102 104 106	41g	8 2/8 1:3	915 214	12 02 1	131g	15
Distillers 500 (*630) 550 600 650	145   147 95   97 48   55 12   18	57	1 1 1 6 6 33	11g 11g 10 35	3 12 35	TRI13:03:07 (*£116)	106 108 110 112 114	10.k 8/c 639 478	10% 9% 7%	=	014 014	0 d 0 d 1 d 1 5 a	14
G.E.C.   160 (*208)   180	52   60 34   48	68 50	2	] 3	1 4	<b> </b>	1116	21g			112	3 to 2 to 2	1 27
200	18 30 7 16	36 22	9 18	12 24	15 28	Option	<del></del> -	Mar.	<b>!</b> ¦	Sept.	Mar.	June	Sept
Grand Met.   330   360   390   420	90 107 60 85 37 63 16 40	90 70	1 2 13 28	1 8 15 35	9 18 38	Beecham (*348)	300 330 360 390	55 33 10 4	65 45 30 17	73 58 37 23	1 8 25 46	7 14 35 53	8 18 37 58
1.C.I. 800 (*969) 850 900	172   180   122   130   76   97   42   60	1140	3 6 10 30	10 15	12 17 30 57	(*236)	240 240 260	20 8 11 <sub>2</sub>		43 26 18	12 25	20 27	11 21 29
Land Sec. 280 (*317) 300	43 50 25 34 9 19	65   40	1 30 1 1 2 7 2 1	10 24	8 12 28	BRT (*443)	360 390 420 460	93 63 35 13	70 53 32	87 66 45	2 2 5 38	4 8 13 35	5 15 25 46
Marks & Sp. 140 (*189; 160	52   -   33   39   16   21   6   13	26	1 2 8 16	3 8 90	-4   11	Blue Circle (	600 650 700	95 60 17		135 103 60	2 7 37	20 45	12 30 50
Shell Trans.   650	1 6 1 13 1 60 1 73	1 82 1	10	1 20 1	25	De Beers	550	20   170	185	85 50 200	17	13 30	18 40
(*700) 700 750	26   38 7   18	1 28	49   8	1 4 5	80 1 16	(*\$7.10)	600 650 700	120 80	148	160 130 100	3 4 15 27	11 26 37 57	16 32 47 70
Traffgar Hee 300 (*312) 350 360	13 30	30	28 48	30 50	33	GKN (*332)	280 300 330 360	54 36 14 5	60 43 26 14	66 52 37 23	2 3 8	5 9 16	12 20
Opcion	May Aug.	- :	May	Aug.	Nov.	Glaxo (*997)	850 900	160 115	195 155	210 180	4 9	8	20
Brit. Aero 460 (*563) 500 550 600	115   132 80   97 42   63 23   35	147 117 78 47	2 5 18 45	12 30 52	15 16 35 65		950 1000 1050	70 35 20	105 80 48	140 100 75	15 45 85	27 50 60 95	37 47 65 100
BAT Inds 280 (*370) 800 530	98   115   78   95   52   72	- I	2	2   2   11	155	Hanson (*164)	150 160 165	17 6	25   16	31 84 -	1 5	5 10	8 14
Barclays   420   450	26   47   72   90   42   67	75	20	10	28	Jaguar (*455)	420 460 500	45 22 6	55 38 25	90 70 50 32	3 5 17 53	7 15 28 60	10 22 40 67
Brt Telecom   180	20   40   42   47   34   30	52     52     36	32 1 12 4	40	5 10	Thorn EMI (*467)		85 S	72 L	117 92 62	2 2 4	5 10	10
920	24   30 12   20 63   64	26	10	15		Tésco (*335)	280	62 43	70	80 I	2 1	23	36 30
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# WORLD STOCK MARKETS

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### **FINANCIAL TIMES**

Because we live in financial times.



# YORK STOCK EXCHANGE COMPOSITE PRICES

# NYSE COMPOSITE PRICES

**AMEX COMPOSITE PRICES** 

Prices at 3pm, March 6

# FINANCIAL TIMES WORLD STOCK MARKETS

**WALL STREET** 

# Rate hopes return to centre stage

PROSPECTS for an early cut in the federal discount rate returned to the centre of the Wall Street stage yesterday after central bank rates were reduced in West Germany and other European countries, with the Bank of Japan expected to follow suit today, writes Terry Byland in New York.

US Treasury bill rates and other money market rates turned down, bond prices rose by a full point and the stock market fought its way up towards the

Dow 1,700 level again. By 3pm the Dow Jones industrial average was 8.26 up at 1,694.92.

A fall of around 17 basis points to 6.89 per cent on Treasury bill bond equiva-lent rates brought the fall over the past five sessions to 27 basis points, putting bill rates into territory suggesting an early cut in the Fed discount rate from its present level of 7.5 per cent. Speculation over the discount rate increased as midsession passed without market intervention by the Federal Reserve.

The stock market was restrained at first by weakness in oil shares in the wake of Amerada Hess, which tumbled \$3% to \$19% in massive trading after omitting the dividend and warning of a "substantial loss" ahead. Occidental Pe-

Frankfurt

Dec 1, 1953 - 100

**Paris** 

STOCK MARKET INDICES

1,694.92\*

787.78\*

182 29\*

1,566.1

n/a

1.053 8

508.6

761.12

9.70

1,686.90 1,280.37

622.23

148.39

180.65

n/a

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481.0

785.57

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224.37

1.569.1

762.12

n/a

9.78

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2.307.3\* 2.272.5 2.096.0

2,910.0\* 2,889.50 2,643.0

1,475.87\* 1,460.74 132.39

511.3 481.4

**CAC Genera** 

2000

1500

1000

300<del>|</del>-

200

NEW YORK

LONDON

TOKYO

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA

CANADA

Metals & Mins.

Credit Aktien

Belglan SE

Composite

**Montreal** Portfolio

DENMARK

FRANÇE

CAC Gen

Ind. Tendence

WEST GERMANY

Commerzbank

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

**NETHERLANDS** 

ANP-CBS Ind

NORWAY

Oslo SE

SINGAPORE

JSE Golds JSE Industrials

Madrid SE

SWEDEN

J&P

SPAIN

Straits Times

**STALY** 

Metals & Minis

FT-A All-share

FT Gold mines

FT-A Long gill

DJ Transport

S&P Composite 224.57\*

SEX-MARKET MONITORS

troleum, down \$1/2 at \$24% in heavy trading, firmly denied any intentions to trim the dividend. But a firmer trend in Chicago oil futures helped Exxon steady to its overnight price of \$52%. Car stocks, beneficiaries both of lower oil prices and interest rates, led the blue chips forward. Ford gained \$1% to \$72%, Chrysler \$% to \$39% and General Motors common stock \$% to \$39%. Confidence in the outlook came from the major car makers, which plan to keep production strong despite last month's fall in sales.

Other interest rate stocks to advance included utility issues and the banks, led by J. P. Morgan, up 5% at \$71%, and Bankers Trust, up 5% at \$41%.

Stocks in the savings and loans groups responded firmly to forecasts of record profits this year as US house buyers refinance their mortgages as rates fall. Financial Corporation of America gained \$% to \$16 while A. H. Ahmanson added \$1/2 to \$121/4.

The weakening dollar pushed pharmaceuticals ahead although at \$147%, up \$%, Merck was below its best. Chemicals looked firmer, led by Du Pont, with a \$% gain at \$69%.

Among defence stocks, United Technology firmed \$11/4 to \$531/4, and McDonnell Douglas at \$79% gained \$%, but Lockheed, at \$54, shed a further \$% on recent bearish comment from market

The technology sector was unsure of itself, and IBM featured with a \$2% fall to \$146 in busy trading. By contrast, there were buyers for NCR which jumped \$1% to \$42%. Digital Equipment attracted strong support, adding \$1% to

Airlines were mixed and continued to

1986

STERLING

1.4520

3.285

263.5

10.095

March 6 Previous

1.4580

3.265

261.5

10.055

CURRENCIES

2.266

181.6

6.955

US DOLLAR

2.243

179.3

6.90

feature takeover speculation. Eastern steadied at \$8% after USAir made a rou-tine filing in connection with Texas Air's planned acquisition of Eastern. Western Air, \$1/2 easier at \$11%, was

again prominent in the NYSE list of active stocks. United eased \$% to \$55% as the market shied away from the increasing competition posed if the latest mergers become effective.

Another recent speculative favourite to move ahead was Deere, the farm equipment manufacturer, which bounced up \$1% to \$33% despite a firm denial from the boardroom of market hints that General Motors might extend its interest in Deere beyond the existing

diesel engine project.

White Consolidated, which is legally fighting off the \$711m bid from Electrolux of Sweden, eased \$% to \$47% as Wall Street awaited the outcome of White's search for a white knight.

In the bond markets, long-dated issues were 1% points up at midsession, bringing the key yield down to 8.15 per cent – a drop of 14 basis points. The session opened with a burst of profit-taking after confirmation that the Bundesbank had cut its discount rate. Prices soon climbed higher, however,

### LONDON

# **Emphasis switches** to gilts

THE EMPHASIS switched in London yesterday from leading equities to government securities as interest rate optimism took a stronger hold after confirmation of the cut in the West German discount rate.

Renewed domestic and foreign buying dispelled early doubts over the market resuming Tuesday's upturn. Selected longer bonds rose 1¼ points before reacting late in the session to the Prime Minister's statement against joining the exchange rate mechanism for the EMS.

Another stable performance by sterling and a further slight easing in money market rates contributed to sentiment. All conventional gilts advanced at the expense of index-linked issues. Further switching from the latter brought fresh losses of up to %.

Leading industrials gained in early trading and indices hit fresh midday peaks. By the close, however, the FT Ordinary index lost 1.9 to 1,299.4.

Chief price changes, Page 43; Details, Page 42; Share information service, Pages 40-41

### **HONG KONG**

ANNUAL RESULTS for Hongkong Land were the centrepiece of trading in Hong Kong, and the Hang Seng index added 4.18 to 1,668.51.

It took investors a short time to interpret the results which were accompanied by plans to sell 52m Jardine Matheson shares at HK\$11.22 to Jardine Securities, which plans a one-for-five rights issue of preferred convertible shares.

HK Land firmed 10 cents to HK\$6.35. Jardine Securities added 10 cents to HK\$14.20 and Jardine Matheson retreated 30 cents to HK\$12.10.

### **SINGAPORE**

A RELUCTANCE to open new positions deflated Singapore slightly, and the Straits Times industrial index shed 3.76

Tomorrow's Singapore budget, al-though not expected to produce any sur-prises, forced many operators to the sidelines. Volume contracted to 9.5m shares from Wednesday's 10m.

Singapore Airlines, most active with 1.2m shares traded, closed 30 cents down at S\$6.25. Singapore Press managed to move against the trend with a 10-cent gain to S\$6.50.

### **AUSTRALIA**

LEADING industrials, spearheaded by BHP, led Sydney lower and the All Ordinaries index slipped 4.5 to 1,053.8.
BHP was unsettled by brisk selling pressure in London after Australian

unions asked the steel industry authority to hold an inquiry into Bell Resources' partial bid for the company.

Bell Resources slipped 25 cents to

A\$4.35, and its parent Bell Group dipped 6 cents to A\$6.20. Newly listed Airship Industries soared 48 cents to 75 cents. Banks were subdued by profit-taking.

### SOUTH AFRICA

DIRECTIONLESS trading featured in Johannesburg, with golds mixed and in-dustrials posting small isolated gains. Buffels added 50 cents to R72, and

Vaal Reefs slipped R2 to R226. Among mining financials Gold Fields firmed 50 cents to R40 while Gencor retreated 25 cents to R39.25. Barlow Rand finished at R15.05, a

gain of 5 cents, while AE&CI added 25 cents to R10.75.

INDUSTRIAL AND MINING issues led a rally in Toronto as golds and utilities

Inco edged C\$1/2 higher to C\$221/4 and Dominion Textile gained C\$% to C\$18. McMillan Bloedel was unchanged at CS29 after announcing plans to delist its

# **Caution** subsides at peaks

added Y40 to Y1,500, and Chiba Bank climbed a maximum Y100 to Y814. Long-term credit and trust banks, as

ened. Nomura Securities moved up Y50 to Y1,320 on reports that it had acquired a seat on the London Stock Exchange. Nippon Express gained Y16 to Y695 and C. Itoh added Y10 to Y451 due to the

likelihood of interest rates coming Low-priced speculative stocks were popular in morning trading. Nichiro

speculator purchases.

on talk about an urban redevelopment project but shed Y2 to Y330. Nitto Boseki Chemicals Y6 to Y354.

revived after its slack performance over the past several days and rose a maxi-

mum Y100 to Y1,310 while Tokyo Juki Industrial went up Y25 to Y985.

LARGE-CAPITAL electricity and financial stocks soared on expectations of another Bank of Japan discount rate cut in Tokyo yesterday and pushed the Nikkei stock average to above 13,900 for the first time, writes Shigeo Nishiwaki of Ji-

The key indicator added 94.10 to 13,901.56, the fifth consecutive rise, on a volume of 625m shares, compared with 626m shares the previous day. Advances led declines by 532 to 352, with 105 is-

sues unchanged. Buyers concentrated on some large-capital stocks in the afternoon as Mr Sa-toshi Sumita, Bank of Japan governor, had told a press conference on Wednesday that the central bank would decide whether to cut the discount rate after the board of the West German Bundesbank met and after a report on Japan's short-term industrial outlook was re-

leased today.

Tokyo Electric Power was actively traded Y90 higher to Y3,190 and Kansai Electric Power Y80 to Y2,330. Tokyo Gas, also active, firmed Y4 to Y356.

Financial issues advanced almost across the board. Mitsubishi Bank

well as securities companies, strength-

Gyogyo headed the active list with 23.71m shares traded, but it eased Y2 to Y362 on profit-taking after rising Y15 from the previous day on rumours of Nissho Iawai climbed in early trading

fell Y6 to Y575 and Dainippon Ink and Conversely, Janome Sewing Machine

Biotechnology-related stocks attracted lively buying interest, with Kyowa Hak-ko rising Y70 to Y1,140 and Shionogi Y29 to Y917.

Some blue-chip issues were also bought. Hitachi added Y747 on volume of 6.04m shares. Sanyo Electric firmed Y10 to Y405, Sony Y40 to Y3,640 and Nippon Kogaku Y20 to Y1,080.

Reflecting strong hopes for another discount rate cut, yields on bonds hit alltime lows. The yield on the benchmark 6.8 per cent government bond due in De-cember 1994 plunged from 5.245 per cent to 5.165 per cent.

### **EUROPE**

# Bundesbank seizes the initiative

THE DECISION by the West German Bundesbank to cut its discount rate to 3.5 per cent from 4 per cent signalled falls in bank interest rates across the continent. Investors responded, and shares moved higher again in most

Despite a brief sell-off after the news of the cut, Frankfurt returned to form. and in the final minutes of trading foreign investors, especially from the US, bought heavily to pull prices off their

early lows. The Commerzbank index rose 7.2 to

Cars continued to profit from the higher dollar, and Porsche led the field with a DM 22 gain to DM 1,222. BMW rose

DM 5 to DM 540 In the machine making sector GHH added DM 14.50 to DM 236 and KHD DM 5 to DM 300 while MAN dropped DM 6.50 to DM 192.

Profit-taking dampened banks and chemicals. Deutsche Bank gave up DM 10 to DM 797, and Dresdner DM 4 to DM 395 ex-rights while Schering ended DM 7 lower at DM 536 and Hoechst DM 1.30 to DM 321.20.

Foreign and domestic demand, prompted by the rate cut, pushed bonds as much as 40 basis points higher. The Bundesbank sold a moderate DM 35.3m worth of domestic paper yesterday after purchasing a hefty DM 188.1m on Wednesday.

Following the Bundesbank move, the Dutch central bank announced a 1/2 percentage point cut in its official discount rate to 4.5 per cent.

Amsterdam continued its higher trend, bolstered by optimism on the rate cut, and almost all sectors recorded

Most activity was seen in the financial sector, with ABN FI 18 higher at FI 588 and NMB FI 7.50 firmer at FI 222.50.

Mortgage bank WUH was suspended until today after an extraordinary shareholders' meeting had discussed a rescue plan. The issue was unchanged at Fl

Gains in internationals were limited by the firmer dollar. Unilever added only Fl 1.50 to Fl 366, despite an early gain of almost Fl 4, and Akzo put on Fl 1.60 to Fl 164 while Royal Dutch faded to Fl 168.30, down Fl 1.40 on continued con-

cern over the world oil price.

Bonds rose initially but fell back after

the Bundesbank announcement. Paris moved one step closer to a system of continuous trading with the introduction of a special morning session for block trading in 30 active stocks. This effectively lengthened the trading day by 2½ hours.

Stocks rose on hopes of a cut in interest rates, and 30 minutes after the close the Bank of France lowered its key money market intervention rate by a quarter

of a percentage point to 8% per cent.

Advances numbered electrical group Radiotechnique, up FFr 39 - about 6.6 per cent - at FFr 613, CIT-Alcatel, FFr 70 higher at FFr 1,660, and BIC, FFr 12 up

to FFr 572. Corporate news fuelled optimism in Zurich and, despite the decision not to change local interest rates, stocks ended

Swiss Bank rose again on Wednes day's healthy results, rising SFr 4 to SFr

Oerlikon-Bührle was SFr 50 lower at SFr 1,560 as investors waited for Canada's decision on the purchase of the group's new defence system called

Milan ended considerably stronger again as shares were pushed to new

Montedison picked up L170 to L3,940 on news that it had signed a \$100m reciprocal trade deal with Chemapol, the Czechoslovakian state chemicals group. The return to trading of Fermenta fea-

tured in a mixed Stockholm. The biotechnology group, which had been suspended for the past two weeks, plunged SKr 30 to SKr 128 in early trading but recovered to end SKr 16 lower at

Both Brussels and Madrid were again victims of profit-taking after last week's

\$ 55.55 FS

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### FINANCIAL TIMES CONFERENCES

# THE FOURTH **MANUFACTURING AUTOMATION FORUM**

London, 14 & 15 April, 1986

The Financial Times Manufacturing Automation Forum is being arranged in London on 14 & 15 April, 1986 for the fourth time, though with a new format. The first day is to be devoted to a high-level review of the problems and challenges facing senior management in justifying the implementation of automation. The forum has been developed from the previous 1985 meeting when many questions were raised by participants on the problems of finding a new approach to investment analysis and financial investment justification. The management implications of the new engineering materials provides the subject of the associated seminar on the second day. Some of the issues to be addressed:

### **Justifying Automation**

Is it a necessity today or a luxury for tomorrow? Why not wait until the technology is mature? Can manufacturing be a competitive weapon? Professor Gordon M Edge **PATechnology** 

FINANCIAL INVESTMENT JUSTIFICATION Automation systems are expensive and normally cannot meet traditional investment payback criteria. Are there other ways to account for automation? What is the worth of better products, more reliable delivery? How do you evaluate a strategic asset? Mr James A Brimson

### Mr John Towers Perkins Engines Limited

THE TECHNOLOGICAL RISK How can automation programmes be controlled? What if the software does not work? What if development falls behind schedule? The value of simulation systems. Mr John A Collins, OBE TI Domestic Appliances Limited

### The Management Implications of the New Engineering Materials A REVIEW OF THE NEW

ENGINEERING MATERIALS AND THEIR TECHNOLOGICAL POTENTIAL Mr Eric M Briscoe Fairey Tecramics Limited

INTRODUCING NEW MATERIALS TO SENIOR ENGINEERS Dr A Kelly University of Surrey

THE DESIGN CHALLENGE INHERENT IN **NEW MATERIALS** Dr Donald A Bell

Department of Trade & Industry THE MANAGEMENT OF THE MANUFACTURING PROCESS USING **NEW MATERIALS** Professor Peter Hancock Cranfield Institute of Technology

To: Financial Times Conference Organic

THE FOURTH MANUFACTURING **AUTOMATION FORUM** 

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Silver (spot fixing) 384.25p Copper (cash) Coffee (Mar) £998.75 2998.00 £2,570.00 Oil (spot Arabian Light) n/a n/a GOLD (per ounce) London \$343.50 \$341.50 Zünch \$343.50 \$341.25 Paris (fixing) Luxembourg \$342.00 New York (April) \$344.30

SWITZERLAND Swiss Bank ind 574.40 572.40 428 6 WORLD Mar 6 Prev MS Capital Int 1 282.80 282.9 196.6 COMMODITIES Prev 388.70p £2,504.50 \$346.40 \$342.45

237.56 238.36 177.72 311.00 309.00 205.6 118.00 116.50 111.1 665.84 663.41 417.60 2.012.40 2.005.20 1.201.8 1,668.51 1,664.33 1,383.28 587.34 575.08 272.89 251.40 249.30 206.8 245.50 243.90 349.46 350.50 317.10 619.02 622.78 1.199.1 1,139.8 132.26 136.39 112.17 1,887.55 1,888.40 1,443.79 £50,000 32nds of 100% Mar " Laiest available figures

FFr SFr 1.912 2775 2.765 1,525 1.532 2,223.5 2,223.5 619.26 45.95 46.0 67.0 66.8 CS 1.415 1.412 2.0630 2.0495 INTEREST RATES 13.901.56 13.807.46 12.498.70 onth offered rate) 31%6 4%6 14% 311/4 4¾<sub>0</sub> 14% FFr (offered rate) 3-month US\$ 7'% 7'% 7% 7% 7.50 6-month US\$ **US Fed Funds** 71.20 7.25\* **US3-month CDs** US3-month T-bii 3,273.32 3,293.30 2,309.23 US BONDS Treasury Yield 7.361 100% 7.549 1019-1993 8% 7.856 1032%2 8.031 1996 105250 8.006 105 8.131 8 173 110% 9¼ Day's 'Dey's Yield index change 146.00 +0.337.90 +0.24 +0.19 1-10 139.92 +0.277.71 7.50 132.29 +0.17 +0.12 1-3 7.78 142.08 +0.32+0.2315-30 167.78 +0.66+0.50 Source: Merrill Lynch March 6 Yield Yield ATAT Price Price 9.85 10% June 1990 101% n/a n/a 90% 97 6,51 8¼ May 2000 9.13 101% 10% Mar 1993 107% Diamond Shamrock 101% 10% May 1993 **Federated Dept Stores** 109% 10% May 2013 11.80 Feb 2013 114½ 10.20 114½ 10.20 12% Dec 2012 113% 10.70 113% 10.70 FINANCIAL FUTURES CHICAGO Latest High US Treasury Bonds (CBT) 8% 32nds of 100% 94-14 96-12 94-05 95-24 US Treasury Bills (IMM) \$1m points of 100% 93.39 93.39 93.26 93.17 Certific les of Deposit (?NM) \$1m points of 100% 92.81 92.81 92.81 92.62 LONDON \$1m points at 100% Mar 92.45 92.49 92.43 92.40

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117-00 117-25 117-00 116-18

Canadian Pacific added C\$\% to C\$18\%, stock from the NYSE.

Montreal made broad gains with the exception of utilities.